

CONSTELLATION BRANDS, INC.

Form 10-Q

January 07, 2016

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended November 30, 2015

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-08495

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware

16-0716709

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

207 High Point Drive, Building 100, Victor, New York

14564

(Address of principal executive offices)

(Zip Code)

(585) 678-7100

(Registrant's telephone number, including area code)

Not Applicable

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

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Edgar Filing: CONSTELLATION BRANDS, INC. - Form 10-Q

The number of shares outstanding with respect to each of the classes of common stock of Constellation Brands, Inc., as of December 31, 2015, is set forth below:

Class	Number of Shares Outstanding
Class A Common Stock, par value \$.01 per share	175,886,829
Class B Common Stock, par value \$.01 per share	23,352,754
Class 1 Common Stock, par value \$.01 per share	2,000

---

Table of Contents

TABLE OF CONTENTS

PART I – FINANCIAL INFORMATION

<u>Item 1. Financial Statements</u>	<u>1</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>27</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>43</u>
<u>Item 4. Controls and Procedures</u>	<u>45</u>

PART II – OTHER INFORMATION

<u>Item 4. Mine Safety Disclosures</u>	<u>45</u>
<u>Item 6. Exhibits</u>	<u>45</u>
<u>SIGNATURES</u>	<u>46</u>
<u>INDEX TO EXHIBITS</u>	<u>47</u>

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control, that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements. For further information regarding such forward-looking statements, risks and uncertainties, please see “Information Regarding Forward-Looking Statements” under Part I – Item 2 “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

Unless the context otherwise requires, the terms “Company,” “CBI,” “we,” “our,” or “us” refer to Constellation Brands, Inc. and its subsidiaries. Unless otherwise defined herein, refer to the Notes to Consolidated Financial Statements under Item 1

of this Quarterly Report on Form 10-Q for the definition of capitalized terms used herein.

---

Table of Contents

## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements.

## CONSTELLATION BRANDS, INC. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS

(in millions, except share and per share data)

(unaudited)

	November 30, 2015	February 28, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$491.3	\$110.1
Accounts receivable	714.7	598.9
Inventories	1,884.6	1,827.2
Prepaid expenses and other	370.3	374.6
Total current assets	3,460.9	2,910.8
Property, plant and equipment	2,949.0	2,681.6
Goodwill	6,381.8	6,208.2
Intangible assets	3,187.8	3,181.0
Other assets	177.1	162.9
Total assets	\$16,156.6	\$15,144.5
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Notes payable to banks	\$31.1	\$52.4
Current maturities of long-term debt	856.9	158.1
Accounts payable	420.9	285.8
Accrued excise taxes	32.5	28.7
Other accrued expenses and liabilities	579.4	605.7
Total current liabilities	1,920.8	1,130.7
Long-term debt, less current maturities	6,515.0	7,137.5
Deferred income taxes	986.4	818.9
Other liabilities	137.7	176.1
Total liabilities	9,559.9	9,263.2
Commitments and contingencies		
CBI stockholders' equity:		
Class A Common Stock, \$.01 par value- Authorized, 322,000,000 shares; Issued, 255,125,596 shares and 250,839,359 shares, respectively	2.6	2.5
Class B Convertible Common Stock, \$.01 par value- Authorized, 30,000,000 shares; Issued, 28,358,554 shares and 28,389,608 shares, respectively	0.3	0.3
Additional paid-in capital	2,563.7	2,269.8
Retained earnings	5,908.4	5,277.5
Accumulated other comprehensive loss	(344.9	) (130.9 )
	8,130.1	7,419.2
Less: Treasury stock –		
Class A Common Stock, at cost, 79,253,678 shares and 79,681,859 shares, respectively	(1,635.5	) (1,646.3 )
Class B Convertible Common Stock, at cost, 5,005,800 shares	(2.2	) (2.2 )
	(1,637.7	) (1,648.5 )
Total CBI stockholders' equity	6,492.4	5,770.7
Noncontrolling interests	104.3	110.6

Edgar Filing: CONSTELLATION BRANDS, INC. - Form 10-Q

Total stockholders' equity	6,596.7	5,881.3
Total liabilities and stockholders' equity	\$16,156.6	\$15,144.5

The accompanying notes are an integral part of these statements.

1

---

Table of ContentsCONSTELLATION BRANDS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions, except per share data)

(unaudited)

	For the Nine Months Ended November 30,		For the Three Months Ended November 30,	
	2015	2014	2015	2014
Sales	\$5,523.3	\$5,165.7	\$1,812.4	\$1,708.6
Less – excise taxes	(518.1	) (493.9	) (171.9	) (166.9
Net sales	5,005.2	4,671.8	1,640.5	1,541.7
Cost of product sold	(2,759.0	) (2,690.8	) (907.0	) (902.8
Gross profit	2,246.2	1,981.0	733.5	638.9
Selling, general and administrative expenses	(892.2	) (834.5	) (286.2	) (263.3
Operating income	1,354.0	1,146.5	447.3	375.6
Equity in earnings of equity method investees	28.5	21.1	27.3	21.2
Interest expense	(230.4	) (257.4	) (75.6	) (86.0
Loss on write-off of financing costs	(1.1	) (4.4	) —	) —
Income before income taxes	1,151.0	905.8	399.0	310.8
Provision for income taxes	(335.7	) (281.1	) (128.0	) (88.6
Net income	815.3	624.7	271.0	222.2
Net income attributable to noncontrolling interests	(3.8	) —	(0.5	) —
Net income attributable to CBI	\$811.5	\$624.7	\$270.5	\$222.2
Comprehensive income	\$591.2	\$530.1	\$297.9	\$108.8
Comprehensive (income) loss attributable to noncontrolling interests	6.3	—	(2.1	) —
Comprehensive income attributable to CBI	\$597.5	\$530.1	\$295.8	\$108.8
Net income per common share attributable to CBI:				
Basic – Class A Common Stock	\$4.19	\$3.28	\$1.39	\$1.16
Basic – Class B Convertible Common Stock	\$3.80	\$2.99	\$1.26	\$1.06
Diluted – Class A Common Stock	\$3.99	\$3.11	\$1.33	\$1.10
Diluted – Class B Convertible Common Stock	\$3.69	\$2.86	\$1.22	\$1.01
Weighted average common shares outstanding:				
Basic – Class A Common Stock	172.509	168.968	173.933	169.585
Basic – Class B Convertible Common Stock	23.366	23.401	23.358	23.387
Diluted – Class A Common Stock	203.356	200.843	204.096	201.276
Diluted – Class B Convertible Common Stock	23.366	23.401	23.358	23.387
Cash dividends declared per common share:				
Class A Common Stock	\$0.93	\$—	\$0.31	\$—
Class B Convertible Common Stock	\$0.84	\$—	\$0.28	\$—

The accompanying notes are an integral part of these statements.





Table of Contents

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(in millions)  
(unaudited)

	For the Nine Months Ended November 30,	
	2015	2014
Cash flows from operating activities:		
Net income	\$815.3	\$624.7
Adjustments to reconcile net income to net cash provided by operating activities:		
Deferred tax provision	192.5	80.3
Depreciation	130.5	118.4
Stock-based compensation	40.5	42.1
Amortization of intangible assets	32.2	36.2
Amortization of deferred financing costs	9.0	9.0
Noncash portion of loss on write-off of financing costs	1.1	3.3
Equity in earnings of equity method investees, net of distributed earnings	(18.7	) (12.7
Change in operating assets and liabilities, net of effects from purchase of business:		
Accounts receivable	(121.5	) (80.8
Inventories	(25.0	) (205.6
Prepaid expenses and other current assets	46.8	(68.4
Accounts payable	136.8	132.6
Accrued excise taxes	4.3	(2.5
Other accrued expenses and liabilities	(128.1	) 65.4
Other	(24.1	) 8.1
Total adjustments	276.3	125.4
Net cash provided by operating activities	1,091.6	750.1
Cash flows from investing activities:		
Purchases of property, plant and equipment	(513.8	) (541.3
Purchase of business	(317.9	) (21.4
Other investing activities	4.0	3.0
Net cash used in investing activities	(827.7	) (559.7
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	210.0	800.0
Excess tax benefits from stock-based payment awards	204.2	76.0
Proceeds from shares issued under equity compensation plans	98.9	34.2
Dividends paid	(180.4	) —
Principal payments of long-term debt	(148.3	) (565.3
Payments of minimum tax withholdings on stock-based payment awards	(38.4	) (28.4
Net proceeds from (repayments of) notes payable	(15.9	) 50.6
Payments of financing costs of long-term debt	(7.9	) (13.3
Payment of delayed purchase price arrangement	—	(543.3
Net cash provided by (used in) financing activities	122.2	(189.5
Effect of exchange rate changes on cash and cash equivalents	(4.9	) 2.5

Edgar Filing: CONSTELLATION BRANDS, INC. - Form 10-Q

Net increase in cash and cash equivalents	381.2	3.4
Cash and cash equivalents, beginning of period	110.1	63.9
Cash and cash equivalents, end of period	\$491.3	\$67.3

3

---

Table of Contents

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF CASH FLOWS  
 (in millions)  
 (unaudited)

	For the Nine Months Ended November 30,		
	2015	2014	
Supplemental disclosures of noncash investing and financing activities:			
Purchase of business			
Fair value of assets acquired	\$321.2	\$34.8	
Liabilities assumed	(5.0	) —	
Net assets acquired	316.2	34.8	
Plus – payment of purchase price adjustments	1.7	—	
Less – contingent consideration not yet paid	—	(13.4	)
Cash paid for purchase of business	\$317.9	\$21.4	

The accompanying notes are an integral part of these statements.

Table of Contents

CONSTELLATION BRANDS, INC. AND SUBSIDIARIES  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 NOVEMBER 30, 2015  
 (unaudited)

## 1. BASIS OF PRESENTATION:

Unless the context otherwise requires, the terms “Company,” “CBI,” “we,” “our,” or “us” refer to Constellation Brands, Inc. and its subsidiaries. We have prepared the consolidated financial statements included herein, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission applicable to quarterly reporting on Form 10-Q and reflect, in our opinion, all adjustments necessary to present fairly our financial information. All such adjustments are of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements, prepared in accordance with generally accepted accounting principles, have been condensed or omitted as permitted by such rules and regulations. These consolidated financial statements and related notes should be read in conjunction with the consolidated financial statements and related notes included in our Annual Report on Form 10-K for the fiscal year ended February 28, 2015 (the “2015 Annual Report”). Results of operations for interim periods are not necessarily indicative of annual results.

## 2. INVENTORIES:

Inventories are stated at the lower of cost (primarily computed in accordance with the first-in, first-out method) or market. Elements of cost include materials, labor and overhead and consist of the following:

(in millions)	November 30, 2015	February 28, 2015
Raw materials and supplies	\$91.1	\$106.0
In-process inventories	1,289.1	1,244.0
Finished case goods	504.4	477.2
	\$1,884.6	\$1,827.2

## 3. DERIVATIVE INSTRUMENTS:

## Overview –

Our risk management and derivative accounting policies are presented in Notes 1 and 6 of our consolidated financial statements included in our 2015 Annual Report and have not changed significantly for the nine months and three months ended November 30, 2015.

The aggregate notional value of outstanding derivative instruments is as follows:

(in millions)	November 30, 2015	February 28, 2015
Derivative instruments designated as hedging instruments		
Foreign currency contracts	\$611.2	\$454.8
Interest rate swap contracts	\$500.0	\$500.0
Derivative instruments not designated as hedging instruments		
Foreign currency contracts	\$962.4	\$1,548.5
Commodity derivative contracts	\$213.6	\$190.8
Interest rate swap contracts	\$1,000.0	\$1,000.0



Table of Contents

## Credit risk –

We are exposed to credit-related losses if the counterparties to our derivative contracts default. This credit risk is limited to the fair value of the derivative contracts. To manage this risk, we contract only with major financial institutions that have earned investment-grade credit ratings and with whom we have standard International Swaps and Derivatives Association agreements which allow for net settlement of the derivative contracts. We have also established counterparty credit guidelines that are regularly monitored. Because of these safeguards, we believe the risk of loss from counterparty default to be immaterial.

In addition, our derivative instruments are not subject to credit rating contingencies or collateral requirements. As of November 30, 2015, the estimated fair value of derivative instruments in a net liability position due to counterparties was \$90.4 million. If we were required to settle the net liability position under these derivative instruments on November 30, 2015, we would have had sufficient availability under our available liquidity on hand to satisfy this obligation.

## Results of period derivative activity –

The estimated fair value and location of our derivative instruments on our balance sheets are as follows (see Note 4):

Assets			Liabilities		
	November 30, 2015	February 28, 2015		November 30, 2015	February 28, 2015
(in millions)					
Derivative instruments designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	\$4.8	\$5.3	Other accrued expenses and liabilities	\$28.9	\$23.1
Other assets	\$0.8	\$2.0	Other liabilities	\$12.9	\$9.5
Interest rate swap contracts:					
Other assets	\$—	\$0.2	Other accrued expenses and liabilities	\$1.6	\$2.7
Derivative instruments not designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	\$2.4	\$27.3	Other accrued expenses and liabilities	\$3.2	\$26.4
Commodity derivative contracts:					
Prepaid expenses and other	\$0.6	\$0.5	Other accrued expenses and liabilities	\$26.9	\$18.0
Other assets	\$0.2	\$0.2	Other liabilities	\$14.8	\$9.4
Interest rate swap contracts:					
Prepaid expenses and other	\$2.2	\$3.3	Other accrued expenses and liabilities	\$12.0	\$15.6
			Other liabilities	\$—	\$4.9

Table of Contents

The effect of our derivative instruments designated in cash flow hedging relationships on our results of operations, as well as Other Comprehensive Income (“OCI”), net of income tax effect, is as follows:

Derivative Instruments in Designated Cash Flow Hedging Relationships	Net Gain (Loss) Recognized in OCI (Effective portion)	Location of Net Gain (Loss) Reclassified from AOCI to Income (Effective portion)	Net Gain (Loss) Reclassified from AOCI to Income (Effective portion)
(in millions)			
For the Nine Months Ended November 30, 2015			
Foreign currency contracts	\$(25.5)	) Sales Cost of product sold	\$1.6 (14.1 )
Interest rate swap contracts	(1.0 \$(26.5)	) Interest expense )	(6.2 ) \$(18.7 )
For the Nine Months Ended November 30, 2014			
Foreign currency contracts	\$(9.2)	) Sales Cost of product sold	\$5.3 0.7
Interest rate swap contracts	(1.2 \$(10.4)	) Interest expense )	(6.2 ) \$(0.2 )
For the Three Months Ended November 30, 2015			
Foreign currency contracts	\$9.4	Sales Cost of product sold	\$0.7 (6.3 )
Interest rate swap contracts	— \$9.4	Interest expense )	(2.0 ) \$(7.6 )
For the Three Months Ended November 30, 2014			
Foreign currency contracts	\$(14.2)	) Sales Cost of product sold	\$1.1 0.2
Interest rate swap contracts	(1.0 \$(15.2)	) Interest expense )	(2.0 ) \$(0.7 )
Derivative Instruments in Designated Cash Flow Hedging Relationships		Location of Net Gain (Loss) Recognized in Income (Ineffective portion)	Net Gain (Loss) Recognized in Income (Ineffective portion)
(in millions)			
For the Nine Months Ended November 30, 2015			
Foreign currency contracts		Selling, general and administrative expenses	\$(0.2 )

Edgar Filing: CONSTELLATION BRANDS, INC. - Form 10-Q

For the Nine Months Ended November 30,  
2014

Foreign currency contracts	Selling, general and administrative expenses	\$0.1
----------------------------	--	-------

For the Three Months Ended November 30,  
2015

Foreign currency contracts	Selling, general and administrative expenses	\$(0.1)	)
----------------------------	--	---------	---

For the Three Months Ended November 30,  
2014

Foreign currency contracts	Selling, general and administrative expenses	\$(0.1)	)
----------------------------	--	---------	---

We expect \$22.3 million of net losses, net of income tax effect, to be reclassified from accumulated other comprehensive income (loss) ("AOCI") to our results of operations within the next 12 months.

7

---



Table of Contents

The effect of our undesignated derivative instruments on our results of operations is as follows:

Derivative Instruments Not Designated as Hedging Instruments	Location of Net Gain (Loss) Recognized in Income	Net Gain (Loss) Recognized in Income
(in millions)		
For the Nine Months Ended November 30, 2015		
Commodity derivative contracts	Cost of product sold	\$(34.5 )
Foreign currency contracts	Selling, general and administrative expenses	(18.9 )
		\$(53.4 )
For the Nine Months Ended November 30, 2014		
Commodity derivative contracts	Cost of product sold	\$(24.2 )
Foreign currency contracts	Selling, general and administrative expenses	(4.1 )
Interest rate swap contracts	Interest expense	(0.1 )
		\$(28.4 )
For the Three Months Ended November 30, 2015		
Commodity derivative contracts	Cost of product sold	\$(18.1 )
Foreign currency contracts	Selling, general and administrative expenses	(3.8 )
		\$(21.9 )
For the Three Months Ended November 30, 2014		
Commodity derivative contracts	Cost of product sold	\$(21.5 )
Foreign currency contracts	Selling, general and administrative expenses	3.0
Interest rate swap contracts	Interest expense	(0.1 )
		\$(18.6 )

#### 4. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Authoritative guidance establishes a framework for measuring fair value and requires disclosures about fair value measurements for financial instruments. This guidance emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and states that a fair value measurement should be determined based on assumptions that market participants would use in pricing an asset or liability. It establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The hierarchy includes three levels:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities;

Level 2 inputs include data points that are observable such as quoted prices for similar assets or liabilities in active markets, quoted prices for identical assets or similar assets or liabilities in markets that are not active, and inputs

(other than quoted prices) such as interest rates and yield curves that are observable for the asset and liability, either directly or indirectly; and

• Level 3 inputs are unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The methods and assumptions we use to estimate the fair value for each class of our financial instruments are presented in Notes 1 and 7 of our consolidated financial statements included in our 2015 Annual Report and have not changed significantly for the nine months and three months ended November 30, 2015. The carrying amounts of certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and notes payable to banks, approximate fair value as of November 30, 2015, and February 28, 2015, due to the relatively short maturity of these instruments. As of November 30, 2015, the carrying amount of long-term debt,

Table of Contents

including the current portion, was \$7,371.9 million, compared with an estimated fair value of \$7,162.4 million. As of February 28, 2015, the carrying amount of long-term debt, including the current portion, was \$7,295.6 million, compared with an estimated fair value of \$7,378.6 million.

The following table presents our financial assets and liabilities measured at estimated fair value on a recurring basis.

	Fair Value Measurements Using			Total
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
(in millions)				
November 30, 2015				
Assets:				
Foreign currency contracts	\$—	\$8.0	\$—	\$8.0
Commodity derivative contracts	\$—	\$0.8	\$—	\$0.8
Interest rate swap contracts	\$—	\$2.2	\$—	\$2.2
Available-for-sale (“AFS”) debt securities	\$—	\$—	\$7.4	\$7.4
Liabilities:				
Foreign currency contracts	\$—	\$45.0	\$—	\$45.0
Commodity derivative contracts	\$—	\$41.7	\$—	\$41.7
Interest rate swap contracts	\$—	\$13.6	\$—	\$13.6
February 28, 2015				
Assets:				
Foreign currency contracts	\$—	\$34.6	\$—	\$34.6
Commodity derivative contracts	\$—	\$0.7	\$—	\$0.7
Interest rate swap contracts	\$—	\$3.5	\$—	\$3.5
AFS debt securities	\$—	\$—	\$7.8	\$7.8
Liabilities:				
Foreign currency contracts	\$—	\$59.0	\$—	\$59.0
Commodity derivative contracts	\$—	\$27.4	\$—	\$27.4
Interest rate swap contracts	\$—	\$23.2	\$—	\$23.2

Our foreign currency contracts consist of foreign currency forward and option contracts and our commodity derivative contracts consist of swap contracts. These contracts are valued using market-based inputs, obtained from independent pricing services, into valuation models. These valuation models require various inputs, including contractual terms, market foreign exchange prices, market commodity prices, interest-rate yield curves and currency volatilities, as applicable. Interest rate swap fair values are based on quotes from respective counterparties. Quotes are corroborated by using discounted cash flow calculations based upon forward interest-rate yield curves, which are obtained from independent pricing services. AFS debt securities are valued using market-based inputs into discounted cash flow models.

Table of Contents

## 5. GOODWILL:

The changes in the carrying amount of goodwill are as follows:

	Beer	Wine and Spirits	Consolidated
(in millions)			
Balance, February 28, 2014	\$3,714.6	\$2,432.2	\$6,146.8
Purchase accounting allocations <sup>(1)</sup>	66.7	34.0	100.7
Foreign currency translation adjustments	(5.1	) (34.2	) (39.3
Balance, February 28, 2015	3,776.2	2,432.0	6,208.2
Purchase accounting allocations <sup>(2)</sup>	—	203.3	203.3
Foreign currency translation adjustments	(4.4	) (25.3	) (29.7
Balance, November 30, 2015	\$3,771.8	\$2,610.0	\$6,381.8

<sup>(1)</sup> Purchase accounting allocations associated with acquisitions of a glass production plant (Beer) and a super-premium tequila brand (Wine and Spirits).

<sup>(2)</sup> Preliminary purchase accounting allocations associated with the acquisition of Meiomì (as defined below).

As of November 30, 2015, and February 28, 2015, we have accumulated impairment losses of \$216.4 million and \$231.0 million, respectively, within our Wine and Spirits segment.

**Meiomì –**

In August 2015, we acquired the Meiomì wine business, consisting primarily of the Meiomì trademark, related inventories and certain grape supply contracts (“Meiomì”). The results of operations of Meiomì are reported in the Wine and Spirits segment and are included in our consolidated results of operations from the date of acquisition.

**Ballast Point –**

In December 2015, we acquired all of the issued and outstanding common and preferred stock of Home Brew Mart, Inc. d/b/a/ Ballast Point Brewing & Spirits (“Ballast Point”) for approximately \$1.0 billion. The transaction primarily included the acquisition of goodwill and other intangible assets, inventories and property, plant and equipment. The results of operations of Ballast Point will be reported in the Beer segment and will be included in our consolidated results of operations from the date of acquisition.

Table of Contents

## 6. INTANGIBLE ASSETS:

The major components of intangible assets are as follows:

	November 30, 2015		February 28, 2015	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
(in millions)				
Amortizable intangible assets				
Customer relationships	\$100.5	\$59.5	\$100.9	\$63.3
Favorable interim supply agreement	68.3	8.6	68.3	33.9
Other	22.3	4.2	21.0	5.5
Total	\$191.1	72.3	\$190.2	102.7
Nonamortizable intangible assets				
Trademarks		3,111.4		3,073.9
Other		4.1		4.4
Total		3,115.5		3,078.3
Total intangible assets		\$3,187.8		\$3,181.0

We did not incur costs to renew or extend the term of acquired intangible assets for the nine months and three months ended November 30, 2015, and November 30, 2014. Net carrying amount represents the gross carrying value net of accumulated amortization. Amortization expense for intangible assets was \$32.2 million and \$36.2 million for the nine months ended November 30, 2015, and November 30, 2014, respectively, and \$9.5 million and \$11.5 million for the three months ended November 30, 2015, and November 30, 2014, respectively. Estimated amortization expense for the remaining three months of fiscal 2016 and for each of the five succeeding fiscal years and thereafter is as follows:

(in millions)	
2016	\$8.0
2017	\$10.7
2018	\$5.8
2019	\$5.8
2020	\$5.6
2021	\$5.4
Thereafter	\$31.0

Table of Contents

## 7. BORROWINGS:

Borrowings consist of the following:

(in millions)	November 30, 2015			February 28, 2015
	Current	Long-term	Total	Total
Notes payable to banks				
Senior Credit Facility – Revolving Credit Loans	\$—	\$—	\$—	\$—
Other	31.1	—	31.1	52.4
	\$31.1	\$—	\$31.1	\$52.4
Long-term debt				
Senior Credit Facility – Term Loans	\$137.5	\$2,771.7	\$2,909.2	\$2,792.1
Senior Notes	699.3	3,650.0	4,349.3	4,348.6
Other	20.1	93.3	113.4	154.9
	\$856.9	\$6,515.0	\$7,371.9	\$7,295.6

## Senior credit facility –

On July 16, 2015, the Company, CIH International S.à r.l., an indirect wholly-owned subsidiary of ours (“CIH” and together with the Company, the “Borrowers”), Bank of America, N.A., as administrative agent (the “Administrative Agent”), and certain lenders (all such parties other than either of the Borrowers and the Administrative Agent are collectively referred to as the “Lenders”) entered into Amendment No. 2 (the “Amendment”) to our then-existing senior credit facility (as amended, the “2015 Credit Agreement”). The Amendment was entered into primarily for (i) the creation of a new \$1.27 billion U.S. Term A loan facility into which the existing U.S. Term A and Term A-2 loan facilities have been combined and increased by \$200.0 million, (ii) the refinance of the existing U.S. Term A-1 loan facility and extension of its maturity to July 16, 2021, (iii) the creation of a new \$1.43 billion European Term A loan facility into which the existing European Term A and Term B-1 loan facilities have been combined, (iv) the extension of the maturity date of all tranches, other than the new U.S. Term A-1 loan facility, to July 16, 2020, and (v) the increase of the revolving credit facility by \$300.0 million to \$1.15 billion. The 2015 Credit Agreement was used to refinance the outstanding obligations under our then-existing senior credit facility, with the incremental \$200.0 million of borrowings under the new U.S. Term A loan facility used to finance a portion of the purchase price for the acquisition of Meiom.

The Amendment also modified certain of our financial and other covenants, and provides for the automatic revision of certain covenants (including financial covenants) and the suspension of the Incremental Cap (as defined below) and the collateral requirements under the 2015 Credit Agreement if we receive an Investment Grade Rating (as defined in the 2015 Credit Agreement) on our corporate ratings from each of S&P and Moody’s, and no default or event of default has occurred or is continuing (a “Covenant Suspension Period”). A Covenant Suspension Period will continue until such time as any of our corporate ratings cease to be an Investment Grade Rating.

Table of Contents

The 2015 Credit Agreement provides for aggregate credit facilities of \$4,093.6 million, consisting of the following:

(in millions)	Amount	Maturity
Revolving Credit Facility <sup>(1)(2)</sup>	\$1,150.0	July 16, 2020
U.S. Term A Facility <sup>(1)(3)</sup>	1,271.6	July 16, 2020
U.S. Term A-1 Facility <sup>(1)(3)</sup>	241.9	July 16, 2021
European Term A Facility <sup>(1)(3)</sup>	1,430.1	July 16, 2020
	\$4,093.6	

(1) Contractual interest rate varies based on our debt ratio (as defined in the 2015 Credit Agreement) and is a function of LIBOR plus a margin, or the base rate plus a margin.

Provides for credit facilities consisting of a \$575.0 million U.S. Revolving Credit Facility and a \$575.0 million European Revolving Credit Facility. Includes two sub-facilities for letters of credit of up to \$200.0 million in the aggregate. We are the borrower under the U.S. Revolving Credit Facility and we and/or CIH are the borrowers under the European Revolving Credit Facility.

(2) We are the borrower under the U.S. Term A and the U.S. Term A-1 loan facilities. CIH is the borrower under the European Term A loan facility.

The 2015 Credit Agreement also permits us to elect to increase the revolving credit commitments under the U.S. Revolving Credit Facility or add one or more tranches of additional term loans, subject to the willingness of existing or new lenders to fund such increase or term loans and other customary conditions. The minimum aggregate principal amount of such incremental revolving credit commitment increases or additional term loans may be no less than \$25.0 million. The maximum aggregate principal amount of all such incremental revolving credit commitment increases and additional term loans, other than term loans the proceeds of which are applied to repay existing term loans, may be no more than \$750.0 million (the "Incremental Cap"), except during a Covenant Suspension Period, during which time the Incremental Cap would be an unlimited amount.

As of November 30, 2015, information with respect to borrowings under the 2015 Credit Agreement is as follows:

(in millions, except percentage data)	Revolving Credit Facility	U.S. Term A Facility	U.S. Term A-1 Facility	European Term A Facility	
Outstanding borrowings	\$—	\$1,255.7	\$241.3	\$1,412.2	
Interest rate	—	% 1.7	% 1.9	% 1.7	%
Libor margin	1.5	% 1.5	% 1.75	% 1.5	%
Outstanding letters of credit	\$15.9				
Remaining borrowing capacity	\$1,134.1				

In addition, in April 2012, we entered into interest rate swap agreements which fixed our interest rates on \$500.0 million of our floating LIBOR rate debt at an average rate of 2.8% (exclusive of borrowing margins) through September 1, 2016.

Table of Contents

As of November 30, 2015, the required principal repayments of the term loans under the 2015 Credit Agreement for the remaining three months of fiscal 2016 and for each of the five succeeding fiscal years and thereafter are as follows:

	U.S. Term A Facility	U.S. Term A-1 Facility	European Term A Facility	Total
(in millions)				
2016	\$15.9	\$0.6	\$17.9	\$34.4
2017	63.6	2.4	71.5	137.5
2018	63.6	2.4	71.5	137.5
2019	63.6	2.4	71.5	137.5
2020	63.5	2.5	71.5	137.5
2021	985.5	2.4	1,108.3	2,096.2
Thereafter	—	228.6	—	228.6
	\$1,255.7	\$241.3	\$1,412.2	\$2,909.2

## Accounts receivable securitization facilities –

On September 28, 2015, we amended our then-existing trade accounts receivable securitization facility (as amended, the “CBI Facility”) for an additional 364-day term. Under the CBI Facility, trade accounts receivable generated by us and certain of our subsidiaries are sold by us to a wholly-owned bankruptcy remote single purpose subsidiary, the CBI SPV, which is consolidated by us for financial reporting purposes. The CBI Facility provides borrowing capacity of \$235.0 million up to \$330.0 million structured to account for the seasonality of our business, subject to further limitations based upon various pre-agreed formulas. The remaining provisions of the CBI Facility are substantially identical in all material respects to the prior CBI facility.

Also, on September 28, 2015, Crown Imports amended its then-existing trade accounts receivable securitization facility (as amended, the “Crown Facility”) for an additional 364-day term. Under the Crown Facility, trade accounts receivable generated by Crown Imports are sold by Crown Imports to its wholly-owned bankruptcy remote single purpose subsidiary, the Crown SPV, which is consolidated by us for financial reporting purposes. The Crown Facility provides borrowing capacity of \$100.0 million up to \$190.0 million structured to account for the seasonality of Crown Imports’ business. The remaining provisions of the Crown Facility are substantially identical in all material respects to the prior Crown facility.

As of November 30, 2015, our accounts receivable securitization facilities are as follows:

	Outstanding Borrowings	Weighted Average Interest Rate	Remaining Borrowing Capacity
(in millions)			
CBI Facility	\$—	—	% \$305.0
Crown Facility	\$—	—	% \$135.0

## Senior notes –

On December 4, 2015, we issued \$400.0 million aggregate principal amount of 4.75% Senior Notes due December 2025 (the “December 2015 Senior Notes”). Interest on the December 2015 Senior Notes is payable semiannually on June 1 and December 1 of each year, beginning June 1, 2016. The December 2015 Senior Notes are redeemable, in whole or in part, at our option at any time at a redemption price equal to 100% of the outstanding principal amount plus a make whole payment based on the present value of the future payments at the adjusted Treasury Rate plus 50 basis points. The December 2015 Senior Notes are senior unsecured obligations which rank equally in right of payment with all of our existing and future senior unsecured indebtedness. Certain of our U.S. subsidiaries guarantee



the December 2015 Senior Notes on a senior unsecured basis.

14

---

Table of Contents

## 8. INCOME TAXES:

Our effective tax rate for the nine months ended November 30, 2015, and November 30, 2014, was 29.2% and 31.0%, respectively. Our effective tax rate for the three months ended November 30, 2015, and November 30, 2014, was 32.1% and 28.5%, respectively.

For the nine months ended November 30, 2015, our effective tax rate was lower than the federal statutory rate of 35% primarily due to a decrease in uncertain tax positions and lower effective tax rates applicable to our foreign businesses. For the three months ended November 30, 2015, our effective tax rate was lower than the federal statutory rate of 35% primarily due to lower effective tax rates applicable to our foreign businesses. Our effective tax rates for the nine months and three months ended November 30, 2014, were lower than the federal statutory rate of 35% primarily due to lower effective tax rates applicable to our foreign businesses and the recognition of additional tax credits.

The Internal Revenue Service (“IRS”) concluded its examination of our fiscal years ended February 28, 2010, and February 28, 2011. We received a Revenue Agent’s Report (“RAR”) from the IRS proposing tax assessments for those years. We disagree with certain assessments in this report and have submitted a written protest stating our formal disagreement with the conclusions presented in the RAR. We believe that our position will be successfully sustained. For other items that were effectively settled, we reduced our liability for uncertain tax positions and recorded a tax benefit of \$31.9 million for the second quarter of fiscal 2016.

## 9. NET INCOME PER COMMON SHARE ATTRIBUTABLE TO CBI:

For the nine months and three months ended November 30, 2015, and November 30, 2014, net income per common share – diluted for Class A Common Stock has been computed using the if-converted method and assumes the exercise of stock options using the treasury stock method and the conversion of Class B Convertible Common Stock as this method is more dilutive than the two-class method. For the nine months and three months ended November 30, 2015, and November 30, 2014, net income per common share – diluted for Class B Convertible Common Stock has been computed using the two-class method and does not assume conversion of Class B Convertible Common Stock into shares of Class A Common Stock.

The computation of basic and diluted net income per common share is as follows:

	For the Nine Months Ended		November 30, 2014		
	November 30, 2015		November 30, 2014		
	Common Stock		Common Stock		
	Class A	Class B	Class A	Class B	
(in millions, except per share data)					
Net income attributable to CBI allocated – basic	\$722.7	\$88.8	\$554.9	\$69.8	
Conversion of Class B common shares into Class A common shares	88.8	—	69.8	—	
Effect of stock-based awards on allocated net income	—	(2.6	) —	(2.9	)
Net income attributable to CBI allocated – diluted	\$811.5	\$86.2	\$624.7	\$66.9	
Weighted average common shares outstanding – basic	172.509	23.366	168.968	23.401	
Conversion of Class B common shares into Class A common shares	23.366	—	23.401	—	
Stock-based awards, primarily stock options	7.481	—	8.474	—	
Weighted average common shares outstanding – diluted	203.356	23.366	200.843	23.401	

Edgar Filing: CONSTELLATION BRANDS, INC. - Form 10-Q

Net income per common share attributable to CBI – basic	\$4.19	\$3.80	\$3.28	\$2.99
Net income per common share attributable to CBI – diluted	\$3.99	\$3.69	\$3.11	\$2.86

15

---

Table of Contents

	For the Three Months Ended				
	November 30, 2015		November 30, 2014		
	Common Stock		Common Stock		
	Class A	Class B	Class A	Class B	
(in millions, except per share data)					
Net income attributable to CBI allocated – basic	\$241.1	\$29.4	\$197.5	\$24.7	
Conversion of Class B common shares into Class A common shares	29.4	—	24.7	—	
Effect of stock-based awards on allocated net income	—	(0.8	) —	(1.0	)
Net income attributable to CBI allocated – diluted	\$270.5	\$28.6	\$222.2	\$23.7	
Weighted average common shares outstanding – basic	173.933	23.358	169.585	23.387	
Conversion of Class B common shares into Class A common shares	23.358	—	23.387	—	
Stock-based awards, primarily stock options	6.805	—	8.304	—	
Weighted average common shares outstanding – diluted	204.096	23.358	201.276	23.387	
Net income per common share attributable to CBI – basic	\$1.39	\$1.26	\$1.16	\$1.06	
Net income per common share attributable to CBI – diluted	\$1.33	\$1.22	\$1.10	\$1.01	

## 10. COMPREHENSIVE INCOME ATTRIBUTABLE TO CBI:

Comprehensive income consists of net income, foreign currency translation adjustments, net unrealized gains (losses) on derivative instruments, net unrealized gains (losses) on AFS debt securities and pension/postretirement adjustments. The reconciliation of net income attributable to CBI to comprehensive income attributable to CBI is as follows:

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount	
(in millions)				
For the Nine Months Ended November 30, 2015				
Net income attributable to CBI			\$811.5	
Other comprehensive loss:				
Foreign currency translation adjustments:				
Net losses	\$(209.7	) \$2.7	(207.0	)
Reclassification adjustments	—	—	—	
Net loss recognized in other comprehensive loss	(209.7	) 2.7	(207.0	)
Unrealized loss on cash flow hedges:				
Net derivative losses	(36.2	) 9.7	(26.5	)
Reclassification adjustments	27.1	(8.2	) 18.9	
Net loss recognized in other comprehensive loss	(9.1	) 1.5	(7.6	)
Unrealized loss on AFS debt securities:				
Net AFS debt securities losses	(0.4	) —	(0.4	)
Reclassification adjustments	—	—	—	
Net loss recognized in other comprehensive loss	(0.4	) —	(0.4	)
Pension/postretirement adjustments:				
Net actuarial gains	1.2	(0.3	) 0.9	
Reclassification adjustments	0.3	(0.2	) 0.1	
Net gain recognized in other comprehensive loss	1.5	(0.5	) 1.0	

Other comprehensive loss attributable to CBI	\$(217.7	) \$3.7	(214.0	)
Comprehensive income attributable to CBI			\$597.5	

16

---

Table of Contents

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
For the Nine Months Ended November 30, 2014			
Net income attributable to CBI			\$624.7
Other comprehensive loss:			
Foreign currency translation adjustments:			
Net losses	\$(82.1	) \$(2.0	) (84.1
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(82.1	) (2.0	) (84.1
Unrealized loss on cash flow hedges:			
Net derivative losses	(14.7	) 4.3	(10.4
Reclassification adjustments	1.4	(1.3	) 0.1
Net loss recognized in other comprehensive loss	(13.3	) 3.0	(10.3
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	(0.5	) —	(0.5
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(0.5	) —	(0.5
Pension/postretirement adjustments:			
Net actuarial gains	0.5	(0.2	) 0.3
Reclassification adjustments	—	—	—
Net gain recognized in other comprehensive loss	0.5	(0.2	) 0.3
Other comprehensive loss attributable to CBI	\$(95.4	) \$0.8	(94.6
Comprehensive income attributable to CBI			\$530.1
For the Three Months Ended November 30, 2015			
Net income attributable to CBI			\$270.5
Other comprehensive income:			
Foreign currency translation adjustments:			
Net gains	\$8.1	\$(0.1	) 8.0
Reclassification adjustments	—	—	—
Net gain recognized in other comprehensive income	8.1	(0.1	) 8.0
Unrealized gain on cash flow hedges:			
Net derivative gains	12.7	(3.3	) 9.4
Reclassification adjustments	10.8	(3.1	) 7.7
Net gain recognized in other comprehensive income	23.5	(6.4	) 17.1
Pension/postretirement adjustments:			
Net actuarial gains	0.3	—	0.3
Reclassification adjustments	0.1	(0.2	) (0.1
Net gain recognized in other comprehensive income	0.4	(0.2	) 0.2
Other comprehensive income attributable to CBI	\$32.0	\$(6.7	) 25.3
Comprehensive income attributable to CBI			\$295.8

Table of Contents

	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
(in millions)			
For the Three Months Ended November 30, 2014			
Net income attributable to CBI			\$222.2
Other comprehensive loss:			
Foreign currency translation adjustments:			
Net losses	\$(97.9	) \$(0.8	) (98.7
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(97.9	) (0.8	) (98.7
Unrealized loss on cash flow hedges:			
Net derivative losses	(21.1	) 5.9	(15.2
Reclassification adjustments	1.5	(0.7	) 0.8
Net loss recognized in other comprehensive loss	(19.6	) 5.2	(14.4
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	(0.7	) 0.1	(0.6
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(0.7	) 0.1	(0.6
Pension/postretirement adjustments:			
Net actuarial gains	0.5	(0.2	) 0.3
Reclassification adjustments	—	—	—
Net gain recognized in other comprehensive loss	0.5	(0.2	) 0.3
Other comprehensive loss attributable to CBI	\$(117.7	) \$4.3	(113.4
Comprehensive income attributable to CBI			\$108.8

Accumulated other comprehensive loss, net of income tax effect, includes the following components:

	Foreign Currency Translation Adjustments	Net Unrealized Losses on Derivative Instruments	Net Unrealized Losses on AFS Debt Securities	Pension/ Postretirement Adjustments	Accumulated Other Comprehensive Loss
(in millions)					
Balance, February 28, 2015	\$(86.1	) \$(29.1	) \$(2.5	) \$(13.2	) \$(130.9
Other comprehensive income (loss):					
Other comprehensive income (loss) before reclassification adjustments	(207.0	) (26.5	) (0.4	) 0.9	(233.0
Amounts reclassified from accumulated other comprehensive loss	—	18.9	—	0.1	19.0
Other comprehensive income (loss)	(207.0	) (7.6	) (0.4	) 1.0	(214.0
Balance, November 30, 2015	\$(293.1	) \$(36.7	) \$(2.9	) \$(12.2	) \$(344.9

## 11. CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets as of November 30, 2015, and February 28, 2015, the condensed consolidating statements of comprehensive income for the nine months and three

months ended November 30, 2015, and November 30, 2014, and the condensed consolidating statements of cash flows for the nine months ended November 30, 2015, and November 30, 2014, for the parent company, our combined subsidiaries which guarantee our senior notes (“Subsidiary Guarantors”), our combined subsidiaries which are not Subsidiary Guarantors (primarily foreign subsidiaries) (“Subsidiary Nonguarantors”) and the Company. The Subsidiary Guarantors are 100% owned, directly or indirectly, by the parent company and the guarantees are joint and several obligations of each of the Subsidiary Guarantors. The guarantees are full and unconditional, as those terms are used in

18

---



Table of Contents

Rule 3-10 of Regulation S-X, except that a Subsidiary Guarantor can be automatically released and relieved of its obligations under certain customary circumstances contained in the indentures governing our senior notes. These customary circumstances include, so long as other applicable provisions of the indentures are adhered to, the termination or release of a Subsidiary Guarantor's guarantee of other indebtedness or upon the legal defeasance or covenant defeasance or satisfaction and discharge of our senior notes. Separate financial statements for our Subsidiary Guarantors are not presented because we have determined that such financial statements would not be material to investors. The accounting policies of the parent company, the Subsidiary Guarantors and the Subsidiary Nonguarantors are the same as those described for the Company in Note 1 of our consolidated financial statements included in our 2015 Annual Report. There are no restrictions on the ability of the Subsidiary Guarantors to transfer funds to us in the form of cash dividends, loans or advances.

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in millions)					
Condensed Consolidating Balance Sheet at November 30, 2015					
Current assets:					
Cash and cash equivalents	\$260.5	\$0.9	\$ 229.9	\$—	\$491.3
Accounts receivable	—	5.0	709.7	—	714.7
Inventories	160.9	1,464.9	348.5	(89.7 )	1,884.6
Intercompany receivable	16,322.2	22,233.7	8,488.0	(47,043.9 )	—
Prepaid expenses and other	43.6	46.9	325.3	(45.5 )	370.3
Total current assets	16,787.2	23,751.4	10,101.4	(47,179.1 )	3,460.9
Property, plant and equipment	56.6	829.3	2,063.1	—	2,949.0
Investments in subsidiaries	12,626.2	17.9	—	(12,644.1 )	—
Goodwill	—	5,614.5	767.3	—	6,381.8
Intangible assets	—	747.7	2,438.2	1.9	3,187.8
Intercompany notes receivable	3,922.5	86.6	—	(4,009.1 )	—
Other assets	57.7	88.0	31.4	—	177.1
Total assets	\$33,450.2	\$31,135.4	\$ 15,401.4	\$(63,830.4 )	\$16,156.6
Current liabilities:					
Notes payable to banks	\$—	\$—	\$ 31.1	\$—	\$31.1
Current maturities of long-term debt	765.3	18.5	73.1	—	856.9
Accounts payable	32.3	239.0	149.6	—	420.9
Accrued excise taxes	17.8	9.7	5.0	—	32.5
Intercompany payable	20,752.2	17,548.5	8,743.2	(47,043.9 )	—
Other accrued expenses and liabilities	257.2	197.8	195.9	(71.5 )	579.4
Total current liabilities	21,824.8	18,013.5	9,197.9	(47,115.4 )	1,920.8
Long-term debt, less current maturities	5,081.0	29.1	1,404.9	—	6,515.0
Deferred income taxes	28.4	692.3	265.7	—	986.4
Intercompany notes payable	—	3,993.2	15.9	(4,009.1 )	—
Other liabilities	23.6	34.9	79.2	—	137.7
Total liabilities	26,957.8	22,763.0	10,963.6	(51,124.5 )	9,559.9
Total CBI stockholders' equity	6,492.4	8,372.4	4,333.5	(12,705.9 )	6,492.4
Noncontrolling interests	—	—	104.3	—	104.3
Total stockholders' equity	6,492.4	8,372.4	4,437.8	(12,705.9 )	6,596.7
Total liabilities and stockholders' equity	\$33,450.2	\$31,135.4	\$ 15,401.4	\$(63,830.4 )	\$16,156.6



Table of Contents

	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in millions)					
Condensed Consolidating Balance Sheet at February 28, 2015					
Current assets:					
Cash and cash equivalents	\$24.5	\$0.7	\$84.9	\$—	\$110.1
Accounts receivable	0.8	27.3	570.8	—	598.9
Inventories	153.3	1,419.0	357.7	(102.8	) 1,827.2