

## Constellation Brands Announces New U.S. Distributor Alignment



### - Signs multi-year agreement with Southern Wine & Spirits of America, Republic National Distributing Company, National Wine & Spirits, and Johnson Brothers Liquor Company in key markets -

Press Release

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VICTOR, N.Y., July 23 /PRNewswire-FirstCall/ -- Constellation Brands, Inc. (NYSE: STZ, ASX: CBR), the world's leading wine company, announced today the signing of multi-year distribution agreements with Southern Wine & Spirits of America, Inc. (Southern), Republic National Distributing Company (RNDC), National Wine & Spirits and Johnson Brothers Liquor Company, which will result in new appointments for 19 states in the U.S. Each distributor has the exclusive right to sell Constellation's U.S. portfolio of wines and spirits in its market. Specifically:

- Southern will have exclusive distribution rights in nine markets, consisting of Arizona, California, Delaware, Florida, Hawaii, Illinois, Kentucky, New York and Pennsylvania
- Republic National Distributing Company will have exclusive distribution rights in eight markets, consisting of Colorado, Louisiana, Maryland, Nebraska, Oklahoma, South Carolina, Texas and Washington D.C.
- National Wine & Spirits will have exclusive distribution rights in Indiana.
- Johnson Brothers Liquor Company will have exclusive distribution rights in Iowa.

(Logo: <http://www.newscom.com/cgi-bin/prnh/20040119/STZLOGO> )

The realignment of Constellation's distributor network consolidates over half of its U.S. wine and spirits business to one distributor per market, creating a number of benefits for Constellation, its distributors and its customers. This fundamentally different distribution model is structured to improve organic growth through deeper, highly-aligned distributor relationships, fully dedicated distributor teams and divisions focusing exclusively on Constellation's portfolio and priorities, and improved coordination of marketing and promotional programs that support the brands. In addition, Constellation and its distributors will be able to offer Constellation's full, powerful brand portfolio through a single distributor to retailers in the 19 markets. Additionally, Constellation will continue to work with and support its distributors in the remaining markets around the country.

"This is a new beginning for our U.S. business and an important moment in Constellation's history. It represents the culmination of an 18-month transformation within the U.S., during which we created an incredibly powerful portfolio of premium, consumer-preferred wine and spirits brands and now have carefully selected distributors for our next wave of growth. Our new go-to-market strategy, and its inherent emphasis on driving organic growth in a growing category, is the natural next step for us and our distributors," said Rob Sands, president and chief executive officer of Constellation Brands. "Southern Wine & Spirits, RNDC, National Wine & Spirits, and Johnson Brothers Liquor Company have been and will continue to be an integral part to Constellation's success for many years to come."

Commenting on Southern's expanded relationship with Constellation, Wayne Chaplin, president and chief operating officer of Southern, said, "We are extremely excited to be named Constellation Brands' exclusive distributor across nine state markets. Southern is proud and honored that Constellation has entrusted us to steward and grow their leading portfolio of wine and spirits brands across all sales channels. As the leading U.S. wine and spirits distributor, Southern will apply its best-in-class sales and operations capabilities to support the growth and development of Constellation's business in open markets and control state jurisdictions alike."

Constellation Brands' largest operating company, Constellation Wines U.S. (CWUS), recently reorganized into a single sales and marketing structure to align with this new go-to-market strategy. The CWUS portfolio includes iconic leading brands such as Robert Mondavi Winery, Clos du Bois, Blackstone, Woodbridge by Robert Mondavi, Arbor Mist, Estancia, Ravenswood, Kim Crawford, Toasted Head, Black Box, Black Velvet Canadian Whisky and SVEDKA Vodka.

"Given the way our portfolio has grown into a collection of some of the most sought-after brands of premium wines and selected spirits, our recent organizational change was a logical next step. And now, we are changing how we bring this portfolio to market in a more effective and efficient way that will enable us to better establish priorities in the marketplace," said Jose Fernandez, chief executive officer of Constellation Wines North America.

"The opportunity to be Constellation's preferred distributor and broker in eight markets consisting of Texas, Colorado, South Carolina, Louisiana, Maryland, Nebraska, Oklahoma and the District of Columbia represents a major leap forward for us. Building upon an already strong relationship across the U.S., this long-term agreement further aligns our priorities, incentives, and commitment to bringing these dynamic brands to market," said Tom Cole, RNDC president.

#### About Constellation Brands

Constellation Brands is the world's leading wine company, with a broad portfolio of widely admired premium brands across the wine, beer and spirits categories. Our company achieves success through an unmatched knowledge of wine consumers paired with storied brands that suit their varied lives and tastes. Our portfolio of brands include Robert Mondavi, Hardys, Clos du Bois, Blackstone, Banrock Station, Arbor Mist, Estancia, Ravenswood, Jackson-Triggs, Kim Crawford, Corona Extra, Black Velvet Canadian Whisky and SVEDKA Vodka.

Constellation Brands (NYSE: [STZ - News](#) and [STZ.B - News](#); ASX: [CBR - News](#)) is an S&P 500 Index and Fortune 1000® company with more than 100 total brands in our portfolio, sales in about 150 countries and operations in approximately 50 facilities. The company believes that industry leadership involves a commitment to our brands, to the trade, to the land, to investors and to the different people around the world who turn to our products when celebrating big moments or enjoying quiet ones. We express this commitment through our vision: to elevate life with every glass raised. To learn more about Constellation Brands and its product portfolio visit the company's web site at [www.cbrands.com](http://www.cbrands.com).

#### About Southern Wine & Spirits of America

Southern Wine & Spirits of America, Inc. is the nation's largest wine and spirits distributor, with current operations in 29 states. The multi-state distributor currently operates in: Alabama, Arizona, California, Colorado, Delaware, Florida, Kentucky, Hawaii, Illinois, Maine, Mississippi, New Hampshire, Nevada, New Mexico, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Vermont, Virginia and West Virginia -- as well as the additional seven states of Alaska, Washington, Oregon, Idaho, Montana, Wyoming and Utah through the Southern-Odom/Spirits West partnership. In addition, Southern has announced a pending strategic arrangement with Texas-based, Glazer's Family of Companies. On a national basis, Southern Wine & Spirits of America, Inc. employs more than 10,000 team members. For more information contact: [www.southernwine.com](http://www.southernwine.com).

#### **About Republic National Distributing Company**

RNDC is the second largest distributor of premium wine and spirits in the United States with operations in Arizona, Alabama, Colorado, District of Columbia, Florida, Kentucky, Louisiana, Maryland, Mississippi, Nebraska, North Carolina, North Dakota, Ohio, Oklahoma, South Carolina, South Dakota, Texas, Virginia, and West Virginia. RNDC employs more than 6,000 individuals nationwide. For more information contact: [www.rndc-usa.com](http://www.rndc-usa.com).

#### **Forward-Looking Statements**

This news release contains forward-looking statements. These statements may relate to Constellation's business strategy, future operations, prospects, plans and objectives of management, as well as information concerning expected actions of third parties. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in or implied by the forward-looking statements.

In addition to risks associated with ordinary business operations, the forward-looking statements contained in this news release are subject to other risks and uncertainties, including:

- implementation of consolidation activities and actual U.S. distributor transition experience; and
- other factors and uncertainties disclosed from time to time in the company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended Feb. 28, 2009, which could cause actual future performance to differ from current expectations.

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