

# Two crucial requisites define success in the contemporary world of wine: a broad portfolio of the highly popular New World Wines from countries such as the United States, Australia, New Zealand and Chile, and powerful global routes-to-market.

In Fiscal 2004, Constellation Wines expanded its portfolio of popular New World Wines and strengthened its global routes-to-market with the acquisition of BRL Hardy Limited (“Hardy”), Australia’s largest wine company. Additionally, Constellation Wines developed successful new labels from its premium vineyards to meet growing consumer demand, and reorganized its global structure to ensure individual companies continued to be nimble, quick and customer focused with a heightened level of streamlined efficiency to generate positive financial results.

## **BROADER PORTFOLIO OF NEW WORLD WINES AND ADDITIONAL ROUTES-TO-MARKET**

As a result of the Hardy acquisition, Constellation Wines became the largest wine company in the world and the largest Australian wine producer with a 22 percent share of the Australian wine market. With the growing popularity of Australian wines around the world, supported by the tripling of

Australian wine shipments to the U.S. to 15 million cases over the past five years, and industry expectations that this number may more than double by 2008, Constellation Wines is well positioned to benefit from its broad portfolio of quality Australian wines.

Along with the benefits of owning exciting new Australian wine brands, the Hardy acquisition also brought with it Nobile Wine Group Limited from New Zealand and expanded global routes-to-market for Constellation Wines’ existing wine portfolio.

## **ORGANIZED FOR RESULTS**

To ensure the increased breadth and scale of the new global wine portfolio is leveraged to maximum potential, Constellation Wines reorganized its global operations in 2004 into six operating companies to serve markets in the United States, the United Kingdom and mainland Europe, Australasia and the Rest of the World.

With independent sales, marketing and production functions, each of the

businesses focuses on its geographical area while leveraging the collective global intellectual, creative and financial resources of one of the world’s largest wine companies.

## **THE AMERICAN WINE MARKET**

As the second largest overall wine producer in the United States and the second largest premium wine company in the United States, Constellation Wines offers American consumers a choice of wines to celebrate any occasion.

In the United States, our focus is on profitable growth by concentrating our investments behind our premium wine brands such as Ravenswood, Covey Run, Blackstone, Banrock Station, Alice White and Hardys. Of the top 100 selling table wines in the U.S., these six brands rank among the fastest growing – twice the number of brands of our closest competitor.

Ravenswood’s popularity is propelling this line of outstanding wines towards the “million case” status, while consumer