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Constellation Spirits to Sell Canadian Distillery, Bottling Plant to Diageo

FAIRPORT, N.Y., May 20 /PRNewswire-FirstCall/ -- Constellation Brands, Inc. (NYSE: STZ, ASX: CBR), a leading international producer and marketer of beverage alcohol, today announced it has reached an agreement in principle to sell its Valleyfield, Quebec, Canada, distillery and bottling facility to Diageo PLC. Closing of the transaction is expected to occur in June 2008, following customary regulatory review, diligence and approvals.

"This is a good business opportunity for both Diageo and Constellation," explained Andy Berk, chief executive officer at Constellation's imported beers and spirits business unit. "Constellation will eliminate excess capacity and consolidate its operations to maximize asset utilization, improve efficiencies, generate cash flow, enhance ROIC and reduce costs, while Diageo will add the capacity it needs for Canadian production of its brands. This will be a 'win' for both companies."

Valleyfield production for Constellation's brands will be moved to the company's Lethbridge, Alberta, Canada, distillery and bottling facility. The approximately 230 people working at the Valleyfield facility are to become Diageo employees.

About Constellation Spirits and Constellation Brands

Constellation Spirits is the spirits division of Constellation Brands, Inc. Constellation Spirits is a major producer, importer and exporter of a wide range of spirits products, including well-known brands such as Black Velvet Canadian Whisky, Ridgemont Reserve 1792 bourbon, SVEDKA and Effen vodka. Constellation Brands, Inc. is a leading international producer and marketer of beverage alcohol in the wine, spirits and imported beer categories, with significant market presence in the U.S., Canada, U.K., Australia and New Zealand. Based in Fairport, N.Y., the company has more than 250 brands, sales in about 150 countries and operates approximately 60 facilities worldwide. It is also the largest wine producer in the world and an S&P 500 Index and Fortune 500(R) company. Major brands in the company's portfolio, in addition to those referenced above, include Corona, Robert Mondavi, Clos du Bois, Ravenswood, Blackstone, Hardys, Banrock Station, Nobile, Kim Crawford, Inniskillin, Jackson-Triggs and Arbor Mist. To learn more about the company and its products visit Constellation's Web site at www.cbrands.com.

SOURCE Constellation Brands, Inc.