DCP Midstream Partners, LP
Form POS AM
September 04, 2013

As filed with the Securities and Exchange Commission on September 4, 2013

Registration No. 333-175047

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-3/A
(POST-EFFECTIVE AMENDMENT NO. 2)
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

DCP MIDSTREAM PARTNERS, LP
(Exact name of registrant as specified in charter)

Delaware (State or other jurisdiction of incorporation or organization)	03-0567133 (I.R.S. Employer Identification Number)

370 17th Street, Suite 2500
Denver, Colorado 80202
(303) 633-2900
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)
Michael S. Richards, Esq.
Vice President & General Counsel
370 17th Street, Suite 2500
Denver, Colorado 80202
(303) 633-2900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:
Lucy Stark, Esq.
Amy L. Bowler, Esq.
Holland & Hart LLP
555 17th Street, Suite 3200
Denver, Colorado 80202
(303) 295-8000

Approximate date of commencement of proposed sale to the public: This Form S-3/A (Post-Effective Amendment No. 2) to the registration statement will deregister the approximately $27 of securities previously registered for issuance under the registration statement which remain unsold.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: o

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. o

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

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	x	Accelerated filer	¨
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	Smaller reporting company	¨

EXPLANATORY NOTE - DEREGISTRATION OF SECURITIES

This Form S-3/A (Post-Effective Amendment No. 2) is being filed for the purpose of deregistering the approximately $27 of unsold common units of DCP Midstream Partners, LP, a Delaware limited partnership, or the Registrant, that were previously registered for issuance under the registration statement on Form S-3 (File No. 333-175047) filed with the Securities and Exchange Commission on June 21, 2011, amended on July 27, 2011, effective on August 4, 2011, and further amended on August 2, 2013. In accordance with the undertaking made by the Registrant pursuant to Item 512(a)(3) of Regulation S-K promulgated under the Securities Act of 1933, as amended, to remove from registration by means of a post-effective amendment any securities which remain unsold at the termination of the offering subject to the registration statement, the Registrant hereby deregisters the approximately $27 of common units previously registered for issuance under the registration statement which remain unsold.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this Form S 3/A (Post-Effective Amendment No. 2) to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Denver, State of Colorado, on September 4, 2013.

DCP MIDSTREAM PARTNERS, LP

By:	DCP MIDSTREAM GP, LP, its general partner
By:	DCP MIDSTREAM GP, LLC, its general partner
By:	/s/ Wouter T. van Kempen Wouter T. van Kempen Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Form S 3/A (Post-Effective Amendment No. 2) to the registration statement has been signed by the following in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Wouter T. van Kempen Wouter T. van Kempen	Chief Executive Officer (Principal Executive Officer)	September 4, 2013
/s/ William S. Waldheim William S. Waldheim	President and Director	September 4, 2013
/s/ Rose M. Robeson Rose M. Robeson	Senior Vice President and Chief Financial Officer (Principal Financial Officer)	September 4, 2013
* Gary D. Watkins	Vice President and Controller (Principal Accounting Officer)	September 4, 2013
* Thomas C. O'Connor	Chairman of the Board and Director	September 4, 2013
* Paul F. Ferguson, Jr.	Director	September 4, 2013
* Frank A. McPherson	Director	September 4, 2013
* Thomas C. Morris	Director	September 4, 2013
* Stephen R. Springer	Director	September 4, 2013

* By:	/s/ Michael S. Richards Michael S. Richards

Attorney-in-fact

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—

—

1,054.9

—

—

5.7

1,060.6

Other comprehensive loss, net of income tax effect
—

—

—

—

(321.6
)

—

(19.1
)

(340.7
)
Comprehensive income

719.9

Repurchase of shares
—

—

—

—

—

(33.8
)

—

(33.8
)
Dividends declared
—

—

—

(241.9
)

—

—

—

(241.9
)
Contributions from noncontrolling interests
—

—

—

—

—

—

35.0

35.0

Shares issued under equity compensation plans
0.1

—

62.3

—

—

12.0

—

74.4

Stock-based compensation
—

—

53.5

—

—

—

—

53.5

Tax benefit on stock-based compensation
—

—

203.4

—

—

—

—

203.4

Balance at February 29, 2016
2.6

0.3

2,589.0

6,090.5

(452.5
)

(1,670.3
)

132.2

6,691.8

Comprehensive income:

Net income
—

—

—

1,535.1

—

—

4.1

1,539.2

Other comprehensive income (loss), net of income tax effect
—

—

—

—

52.7

—

(10.7
)

42.0

Comprehensive income

1,581.2

Repurchase of shares
—

—

—

—

—

(1,122.7
)

—

(1,122.7
)
Dividends declared
—

—

—

(315.6
)

—

—

—

(315.6
)
Conversion of noncontrolling equity interests to long-term debt
—

—

—

—

—

—

(132.0
)

(132.0
)
Shares issued under equity compensation plans
—

—

(20.1
)

—

—

15.3

—

(4.8
)
Stock-based compensation
—

—

55.5

—

—

—

—

55.5

Tax benefit on stock-based compensation
—

—

131.4

—

—

—

—

131.4

Balance at February 28, 2017
2.6

0.3

2,755.8

7,310.0

(399.8
)

(2,777.7
)

(6.4
)

6,884.8

Comprehensive income:

Net income
—

—

—

2,318.9

—

—

11.9

2,330.8

Other comprehensive income, net of income tax effect

—

—

—

—

196.9

—

11.1

208.0

Comprehensive income

2,538.8

Repurchase of shares
—

—

—

—

—

(1,038.5
)

—

(1,038.5
)
Dividends declared
—

—

—

(400.7
)

—

—

—

(400.7
)

Shares issued under equity compensation plans
—

—

8.3

—

—

8.8

—

17.1

Stock-based compensation
—

—

61.2

—

—

—

—

61.2

Balance at February 28, 2018
$
2.6

$
0.3

$
2,825.3

$
9,228.2

$
(202.9
)

$
(3,807.4
)

$
16.6

$
8,062.7

The accompanying notes are an integral part of these statements.

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

	For the Years Ended February 28, 2018	February 28, 2017	February 29, 2016
Cash flows from operating activities:			
Net income	$2,330.8	$ 1,539.2	$ 1,060.6
Adjustments to reconcile net income to net cash provided by operating activities:			
Unrealized gain on equity securities	(464.3)	—	—
Net income tax benefit related to the Tax Cuts and Jobs Act	(363.0)	—	—
Depreciation	293.8	237.5	180.3
Loss on extinguishment of debt and amortization of debt issuance costs	108.7	12.7	13.1
Deferred tax provision	114.9	128.7	251.0
Impairment and amortization of intangible assets	92.7	56.4	40.7
Stock-based compensation	60.9	56.1	54.0
Loss on contract termination	59.0	—	—
Gain on sale of business	—	(262.4)	—
Change in operating assets and liabilities, net of effects from purchases of businesses:			
Accounts receivable	(34.1)	(49.4)	(129.8)
Inventories	(123.8)	(151.0)	10.1
Prepaid expenses and other current assets	(111.5)	(71.6)	45.9
Accounts payable	12.8	115.9	24.7
Other accrued expenses and liabilities	(71.6)	122.2	(111.7)
Other	26.1	(38.3)	(25.2)
Total adjustments	(399.4)	156.8	353.1
Net cash provided by operating activities	1,931.4	1,696.0	1,413.7
Cash flows from investing activities:			
Purchases of property, plant and equipment	(1,057.6)	(907.4)	(891.3)
Investment in equity securities	(191.3)	—	—
Purchases of businesses, net of cash acquired	(150.1)	(1,111.0)	(1,316.4)
Proceeds from (payments related to) sale of business	(5.0)	575.3	—
Other investing activities	(19.1)	(18.7)	0.3
Net cash used in investing activities	(1,423.1)	(1,461.8)	(2,207.4)
Cash flows from financing activities:			
Principal payments of long-term debt	(7,128.7)	(971.8)	(208.7)
Purchases of treasury stock	(1,038.5)	(1,122.7)	(33.8)
Dividends paid	(400.1)	(315.1)	(241.6)
Payments of debt extinguishment, debt issuance and other financing costs	(122.2)	(14.1)	(13.3)
Payments of minimum tax withholdings on stock-based payment awards	(31.7)	(64.9)	(38.6)
Proceeds from issuance of long-term debt	7,933.4	1,965.6	610.0
Net proceeds from short-term borrowings	137.2	197.1	360.6
Proceeds from shares issued under equity compensation plans	49.4	59.7	113.0
Excess tax benefits from stock-based payment awards	—	131.4	203.4
Proceeds from noncontrolling interests	—	—	25.0

Net cash provided by (used in) financing activities	(601.2)	(134.8)	776.0
Effect of exchange rate changes on cash and cash equivalents	5.8	(5.1)	(9.3)
Net increase (decrease) in cash and cash equivalents	(87.1)	94.3	(27.0)
Cash and cash equivalents, beginning of year	177.4	83.1	110.1
Cash and cash equivalents, end of year	$90.3	$ 177.4	$ 83.1

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

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
Supplemental disclosures of cash flow information:			
Cash paid during the year:			
Interest, net of interest capitalized	$322.2	$ 300.4	$ 310.4
Income taxes, net of refunds received	$238.6	$ 219.6	$ 80.2
Noncash investing and financing activities:			
Additions to property, plant and equipment	$170.0	$ 190.3	$ 158.0
Conversion of noncontrolling equity interest to long-term debt	$—	$ 132.0	$ —

The accompanying notes are an integral part of these statements.

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CONSTELLATION BRANDS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
February 28, 2018

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of business –
Constellation Brands, Inc. and its subsidiaries operate primarily in the beverage alcohol industry. Unless the context otherwise requires, the terms "Company," "CBI," "we," "our," or "us" refer to Constellation Brands, Inc. and its subsidiaries. W are an international beverage alcohol company with a broad portfolio of consumer-preferred high-end imported and craft beer brands, and premium wine and spirits brands.

Basis of presentation –
Principles of consolidation:
Our consolidated financial statements include our accounts and our majority-owned and controlled domestic and foreign subsidiaries. In addition, we have an equally-owned joint venture with Owens-Illinois. The joint venture owns and operates a state-of-the-art glass production plant which provides bottles exclusively for our brewery located in Nava, Coahuila, Mexico (the "Nava Brewery"). We have determined that we are the primary beneficiary of this variable interest entity and accordingly, the results of operations of the joint venture are reported in the Beer segment and are included in our consolidated results of operations. All intercompany accounts and transactions are eliminated in consolidation.

Equity method investments:
If we are not required to consolidate our investment in another entity, we use the equity method when we (i) can exercise significant influence over the other entity and (ii) hold common stock and/or in-substance common stock of the other entity. Under the equity method, investments are carried at cost, plus or minus our equity in the increases and decreases in the investee's net assets after the date of acquisition. Dividends received from the investee reduce the carrying amount of the investment.

Management's use of estimates:
The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Summary of significant accounting policies –
Revenue recognition:
We record revenue (referred to in our financial statements as "sales") when persuasive evidence of an arrangement exists, delivery has occurred, the price is fixed or determinable, and collectability is reasonably assured. Delivery is not considered to have occurred until risk of loss passes to the customer according to the terms of the contract between us and our customer. Risk of loss is usually transferred upon shipment to or receipt at our customers' locations, as determined by the specific sales terms of the transactions. Our sales terms do not allow for a right of return except for matters related to any manufacturing defects on our part. Amounts billed to customers for shipping and handling are included in sales. Sales reflect reductions attributable to consideration given to customers in various customer incentive programs, including pricing discounts on single transactions, volume discounts, promotional and advertising allowances, coupons and rebates (see "Accounting guidance not yet adopted – Revenue recognition" below).

Excise taxes remitted to governmental tax authorities are shown on a separate line item as a reduction of sales. Excise taxes are recognized in our results of operations when the related sale is recorded.

Cost of product sold:
The types of costs included in cost of product sold are raw materials, packaging materials, manufacturing costs, plant administrative support and overheads, and freight and warehouse costs (including distribution network

costs). Distribution network costs include inbound freight charges and outbound shipping and handling costs, purchasing and receiving costs, inspection costs, warehousing and internal transfer costs.

Selling, general and administrative expenses:
The types of costs included in selling, general and administrative expenses consist predominately of advertising and non-manufacturing administrative and overhead costs. Distribution network costs are included in cost of product sold. We expense advertising costs as incurred, shown or distributed. Advertising expense for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, was $615.7 million, $552.8 million and $468.3 million, respectively.

Foreign currency translation:
The functional currency of our foreign subsidiaries is generally the respective local currency. The translation from the applicable foreign currencies to U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using a weighted average exchange rate for the period. The resulting translation adjustments are recorded as a component of Accumulated Other Comprehensive Income (Loss) ("AOCI"). Gains or losses resulting from foreign currency denominated transactions are included in selling, general and administrative expenses.

Cash and cash equivalents:
Cash equivalents consist of highly liquid investments with an original maturity when purchased of three months or less and are stated at cost, which approximates fair value.

Fair value of financial instruments:
We calculate the estimated fair value of financial instruments using quoted market prices whenever available. When quoted market prices are not available, we use standard pricing models for various types of financial instruments (such as forwards, options and swaps) which take into account the present value of estimated future cash flows (see Note 7).

Derivative instruments:
We enter into derivative instruments to manage our exposure to fluctuations in foreign currency exchange rates, commodity prices and interest rates. We enter into derivatives for risk management purposes only, including derivatives designated in hedge accounting relationships as well as those derivatives utilized as economic hedges. We do not enter into derivatives for trading or speculative purposes. We recognize all derivatives as either assets or liabilities and measure those instruments at estimated fair value (see Note 6, Note 7). We present our derivative positions gross on our balance sheets.

Changes in fair values (to the extent of hedge effectiveness) of outstanding cash flow hedges are deferred in stockholders' equity as a component of AOCI. These deferred gains or losses are recognized in our results of operations in the same period in which the hedged items are recognized and on the same financial statement line item as the hedged items. Any ineffectiveness associated with these derivative instruments is recognized immediately in our results of operations. Effective March 1, 2018, we adopted FASB guidance which amends, among other items, the requirement to separately measure and report hedge ineffectiveness for outstanding cash flow hedges. Accordingly, the entire change in the fair value of outstanding cash flow hedges are deferred in stockholders' equity as a component of AOCI prospectively from the date of adoption.

Changes in fair values for derivative instruments not designated in a hedge accounting relationship are recognized directly in our results of operations each period and on the same financial statement line item as the hedged item. For purposes of measuring segment operating performance, the net gain (loss) from the changes in fair value of our undesignated commodity derivative contracts, prior to settlement, is reported outside of segment operating results until such time that the underlying exposure is recognized in the segment operating results. Upon settlement, the net gain (loss) from the changes in fair value of the undesignated commodity derivative contracts is reported in the appropriate operating segment, allowing our operating segment results to reflect the economic effects of the commodity derivative contracts without the resulting unrealized mark to fair value volatility.

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Cash flows from the settlement of derivatives, including both economic hedges and those designated in hedge accounting relationships, appear on our statements of cash flows in the same categories as the cash flows of the hedged items.

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

Bulk wine inventories are included as in-process inventories within current assets, in accordance with the general practices of the wine industry, although a portion of such inventories may be aged for periods greater than one year. A substantial portion of barreled whiskey and brandy will not be sold within one year because of the duration of the aging process. All barreled whiskey and brandy are classified as in-process inventories and are included in current assets, in accordance with industry practice. Warehousing, insurance, ad valorem taxes and other carrying charges applicable to barreled whiskey and brandy held for aging are included in inventory costs.

We assess the valuation of our inventories and reduce the carrying value of those inventories that are obsolete or in excess of our forecasted usage to their estimated net realizable value based on analyses and assumptions including, but not limited to, historical usage, future demand and market requirements.

Property, plant and equipment:
Property, plant and equipment is stated at cost. Major additions and improvements are recorded as an increase to the property accounts, while maintenance and repairs are expensed as incurred. The cost of properties sold or otherwise disposed of and the related accumulated depreciation are eliminated from the balance sheet accounts at the time of disposal and resulting gains and losses are included as a component of operating income.

Depreciation:
Depreciation is computed primarily using the straight-line method over the following estimated useful lives:

	Years
Land improvements	15 to 32
Vineyards	16 to 26
Buildings and improvements	10 to 50
Machinery and equipment	3 to 35
Motor vehicles	3 to 7

Goodwill and other intangible assets:
Goodwill is allocated to the reporting unit in which the business that created the goodwill resides. A reporting unit is an operating segment, or a business unit one level below that operating segment, for which discrete financial information is prepared and regularly reviewed by segment management. We review our goodwill and indefinite lived intangible assets annually for impairment, or sooner, if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We use January 1 as our annual impairment test measurement date. Indefinite lived intangible assets consist principally of trademarks. Intangible assets determined to have a finite life, primarily customer relationships, are amortized over their estimated useful lives and are subject to review for impairment in accordance with authoritative guidance for long-lived assets. Note 9 provides a summary of intangible assets segregated between amortizable and nonamortizable amounts.

Indemnification liabilities:
We have indemnified respective parties against certain liabilities that may arise in connection with certain acquisitions and divestitures. Indemnification liabilities are recognized when probable and estimable and included in other liabilities (see Note 14).

Income taxes:
We use the asset and liability method of accounting for income taxes. This method accounts for deferred income taxes by applying statutory rates in effect at the balance sheet date to the difference between the financial

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reporting and tax bases of assets and liabilities. We provide for taxes that may be payable if undistributed earnings of foreign subsidiaries were to be remitted to the U.S., except for those earnings that we consider to be indefinitely reinvested (see Note 13). Interest and penalties are recognized as a component of provision for income taxes.

Net income per common share attributable to CBI:
We have two classes of common stock with a material number of shares outstanding: Class A Common Stock and Class B Convertible Common Stock (see Note 15). In addition, we have another class of common stock with an immaterial number of shares outstanding: Class 1 Common Stock (see Note 15). If we pay a cash dividend on Class B Convertible Common Stock, each share of Class A Common Stock will receive an amount at least ten percent greater than the amount of the cash dividend per share paid on Class B Convertible Common Stock. Class B Convertible Common Stock shares are convertible into shares of Class A Common Stock on a one-to-one basis at any time at the option of the holder.

We use the two-class method for the computation and presentation of net income per common share attributable to CBI (hereafter referred to as "net income per common share") (see Note 17). The two-class method is an earnings allocation formula that calculates basic and diluted net income per common share for each class of common stock separately based on dividends declared and participation rights in undistributed earnings as if all such earnings had been distributed during the period. Under the two-class method, Class A Common Stock is assumed to receive a ten percent greater participation in undistributed earnings than Class B Convertible Common Stock, in accordance with the respective minimum dividend rights of each class of stock.

Net income per common share – basic excludes the effect of common stock equivalents and is computed using the two-class method. Net income per common share – diluted for Class A Common Stock reflects the potential dilution that could result if securities or other contracts to issue common stock were exercised or converted into common stock. Net income per common share – diluted for Class A Common Stock is computed using the more dilutive of the if-converted or two-class method. Net income per common share – diluted for Class A Common Stock is 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. Net income per common share – diluted for Class B Convertible Common Stock is computed using the two-class method and does not assume conversion of Class B Convertible Common Stock into shares of Class A Common Stock.

Stock-based employee compensation:
We have two stock-based employee compensation plans (see Note 16). We apply a grant date fair-value-based measurement method in accounting for our stock-based payment arrangements and record all costs resulting from stock-based payment transactions ratably over the requisite service period. Stock-based awards are subject to specific vesting conditions, generally time vesting, or upon retirement, disability or death of the employee (as defined by the plan), if earlier. For awards granted to retirement-eligible employees, we recognize compensation expense ratably over the period from the date of grant to the date of retirement-eligibility.

Recently adopted accounting guidance –
Stock-based employee compensation:
Effective March 1, 2017, we adopted the FASB amended guidance for, among other items, the accounting for income taxes related to share-based compensation and the related classification in the statement of cash flows. This guidance requires the recognition of excess tax benefits and deficiencies (resulting from an increase or decrease in the fair value of an award from grant date to the vesting or settlement date) in the provision for income taxes as a discrete item in the quarterly period in which they occur. Through February 28, 2017, these amounts were recognized in additional paid-in capital at the time of vesting or settlement. Additionally, effective March 1, 2017, excess tax benefits are classified as an operating activity in the statement of cash flows instead of as a financing activity where they were previously presented. We adopted this guidance on a prospective basis and, accordingly, prior periods have not been

adjusted. Adoption of this guidance resulted in the recognition of excess tax benefits in our provision for income taxes rather than additional paid-in capital of $68.6 million for the year ended February 28, 2018.

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The adoption of this amended guidance also impacted our calculation of diluted earnings per share under the treasury stock method, as excess tax benefits and deficiencies resulting from share-based compensation are no longer included in the assumed proceeds calculation. This change in the assumed proceeds calculation resulted in a decrease in diluted earnings per share of $0.07 for the year ended February 28, 2018.

We have elected to continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period. The remaining provisions of this amended guidance did not have a material impact on our consolidated financial statements.

Accounting guidance not yet adopted –
Revenue recognition:
In May 2014, the FASB issued guidance regarding the recognition of revenue from contracts with customers. Under this guidance, an entity will recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Additionally, this guidance requires improved disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

We adopted this guidance on March 1, 2018, using the retrospective application method to allow for consistent reporting in all comparable periods throughout Fiscal 2019. We have completed changes to our accounting policies, systems and controls to support the new revenue recognition and disclosure requirements. Based on our analysis, the broad definition of variable consideration under this guidance requires us to estimate and record certain variable payments resulting from various sales incentives earlier than we have historically recorded them. This change in the timing of when we recognize sales incentive expenses will shift net sales recognition between our fiscal quarters; however, the adoption of this guidance will not have a material impact on our full year net sales recognition.

Under the retrospective application method, we will recognize the cumulative impact of adopting this guidance in the first quarter of fiscal 2019 with a reduction to our March 1, 2016, opening retained earnings of approximately $50 million, net of income tax effect, with an offsetting increase to current accrued promotion expense and the recognition of a deferred tax asset to align the timing of when we recognize sales incentive expense and when we recognize revenue.

Leases:
In February 2016, the FASB issued guidance for the accounting for leases. Under this guidance, a lessee will recognize assets and liabilities for most leases, but will recognize expense similar to current lease accounting guidance. For leases with a term of 12 months or less, a lessee is permitted to make an accounting policy election not to recognize lease assets and lease liabilities. We are required to adopt this guidance for our annual and interim periods beginning March 1, 2019, using a modified retrospective approach. We are currently assessing the financial impact of this guidance on our consolidated financial statements.

Income taxes:
In October 2016, the FASB issued guidance that simplifies the accounting for the income tax consequences of intra-entity transfers of assets other than inventory. Under this guidance, an entity is required to recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. Current guidance prohibits the recognition in earnings of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party or recovered through use.

We adopted this guidance on March 1, 2018, using the modified retrospective basis, which requires a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. Based on our assessment of intra-entity asset transfers that are in scope and the related deferred income taxes, in the first quarter of fiscal 2019, we will recognize a net increase in our March 1, 2018, opening retained earnings and deferred tax assets of approximately $2.2 billion, primarily in connection with the intra-entity transfer of certain intellectual property related to our imported beer business for the year ended February 28, 2018.

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2. ACQUISITIONS AND DIVESTITURE:

Acquisitions –
Obregon Brewery:
In December 2016, we acquired a brewery operation business in Obregon, Sonora, Mexico from Grupo Modelo, S. de R.L. de C.V., formerly known as Grupo Modelo, S.A.B. de C.V., ("Modelo"), a subsidiary of Anheuser-Busch InBev SA/NV for cash paid of $569.7 million, net of cash acquired (the "Obregon Brewery"). The transaction primarily included the acquisition of operations; goodwill; property, plant and equipment; and inventories. This acquisition provided us with immediate functioning brewery capacity to support our fast-growing, high-end Mexican beer portfolio and flexibility for future innovation initiatives. It also enabled us to become fully independent from an interim supply agreement with Modelo, which was terminated at the time of this acquisition. The results of operations of the Obregon Brewery are reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition.

Charles Smith:
In October 2016, we acquired the Charles Smith Wines, LLC business, a collection of five super and ultra-premium wine brands, for $120.8 million ("Charles Smith"). This transaction primarily included the acquisition of goodwill, trademarks, inventories and certain grape supply contracts, plus an earn-out over three years based on the performance of the brands. The results of operations of Charles Smith are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

High West:
In October 2016, we acquired all of the issued and outstanding common and preferred membership interests of High West Holdings, LLC for $136.6 million, net of cash acquired ("High West"). This transaction primarily included the acquisition of operations, goodwill, trademarks, inventories and property, plant and equipment. This acquisition included a portfolio of craft whiskeys and other select spirits. The results of operations of High West are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

Prisoner:
In April 2016, we acquired The Prisoner Wine Company business, including a portfolio of five super-luxury wine brands, for $284.9 million ("Prisoner"). This transaction primarily included the acquisition of goodwill, inventories, trademarks and certain grape supply contracts. The results of operations of Prisoner are reported in the Wine and Spirits segment and have been 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"). The following table summarizes the allocation of the estimated fair value for the significant assets acquired:

(in millions)	
Goodwill	$763.2
Trademarks (see Note 7)	222.8
Other	14.0
Total estimated fair value	1,000.0
Less – cash acquired	(1.5)
Purchase price	$998.5

Goodwill associated with the acquisition is primarily attributable to the future growth opportunities associated with the acquisition of a premium platform that enables us to compete in the growing craft beer category and further strengthened our position in the high-end segment of the U.S. beer market. None of the goodwill recognized is expected to be deductible for income tax purposes. The results of operations of Ballast Point are

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reported in the Beer segment and have been included in our consolidated results of operations from the date of acquisition.

Meiomi:
In August 2015, we acquired the Meiomi wine business, including the acquisition of a higher-margin, luxury growth pinot noir brand, for $316.2 million (“Meiomi”). This transaction primarily included the acquisition of goodwill, inventories, the trademark and certain grape supply contracts. The results of operations of Meiomi are reported in the Wine and Spirits segment and have been included in our consolidated results of operations from the date of acquisition.

Other Acquisitions:
During the year ended February 28, 2018, we completed the acquisitions of other businesses, including the Funky Buddha Brewery LLC business, which included a portfolio of high-quality, Florida-based craft beers (“Funky Buddha”), and the Schrader Cellars, LLC business, which included a collection of highly-rated, limited-production fine wines (“Schrader Cellars”). The total combined purchase price for these acquisitions was $149.1 million. The purchase price for each acquisition was primarily allocated to goodwill and trademarks. In addition, the purchase price for Funky Buddha includes an earn-out over five years based on the performance of the brands. The results of operations of these acquired brands are reported in the appropriate segment and have been included in our consolidated results of operations from their respective date of acquisition.

Divestiture –
Canadian Divestiture:
In December 2016, we sold the Wine and Spirits Canadian wine business, which included Canadian wine brands such as Jackson-Triggs and Inniskillin, wineries, vineyards, offices, facilities and Wine Rack retail stores, at a transaction value of C$1.03 billion, or $775.1 million (the “Canadian Divestiture”). We received cash proceeds of $570.3 million, net of outstanding debt and direct costs to sell of $194.9 million and $9.9 million, respectively. The following table summarizes the net gain recognized in connection with this divestiture:

(in millions)			
Cash received from buyer	$	580.2	
Net assets sold	(175.3		)
AOCI reclassification adjustments, primarily foreign currency translation	(122.5		)
Direct costs to sell	(9.9		)
Other	(10.1		)
Gain on sale of business	$	262.4	

Additionally, our Wine and Spirits U.S. business recognized an impairment of $8.4 million for the fourth quarter of fiscal 2017 for trademarks associated with certain U.S. brands sold exclusively through the Canadian wine business for which we expected future sales of these brands to be minimal subsequent to the Canadian Divestiture. We have also recognized $15.2 million of other costs associated with the Canadian Divestiture, with $12.0 million recognized for the year ended February 28, 2017, primarily in connection with the evaluation of the merits of executing an initial public offering for a portion of our then-owned Canadian wine business, and $3.2 million recognized for the first quarter of fiscal 2018 in connection with the sale of the Canadian wine business. These amounts are included in selling, general and administrative expenses. In total, we have recognized $238.8 million of net gains associated with the Canadian Divestiture, with $242.0 million of net gains recognized for the year ended February 28, 2017, and $3.2 million of net losses recognized for the year ended February 28, 2018, as follows:

(in millions)	
Gain on sale of business	$262.4

Impairment of trademarks	(8.4)
Other net costs	(15.2)
Net gain associated with the Canadian Divestiture and related activities	$238.8

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3. INVENTORIES:

The components of inventories are as follows:

(in millions)	February 28, 2018	February 28, 2017
Raw materials and supplies	$ 160.8	$ 149.7
In-process inventories	1,382.8	1,260.1
Finished case goods	540.4	545.3
	$ 2,084.0	$ 1,955.1

4. PREPAID EXPENSES AND OTHER:

The major components of prepaid expenses and other are as follows:

(in millions)	February 28, 2018	February 28, 2017
Value added taxes receivable	$ 209.9	$ 78.3
Income taxes receivable	121.0	100.4
Prepaid excise and sales taxes	59.2	57.8
Other	133.4	124.0
	$ 523.5	$ 360.5

5. PROPERTY, PLANT AND EQUIPMENT:

The major components of property, plant and equipment are as follows:

(in millions)	February 28, 2018	February 28, 2017
Land and land improvements	$ 438.0	$ 400.4
Vineyards	238.3	232.6
Buildings and improvements	883.0	736.1
Machinery and equipment	3,548.3	3,079.6
Motor vehicles	93.6	124.2
Construction in progress	1,072.5	636.9
	6,273.7	5,209.8
Less – Accumulated depreciation	(1,484.0)	(1,277.0)
	$ 4,789.7	$ 3,932.8

6. DERIVATIVE INSTRUMENTS:

Overview –

We are exposed to market risk from changes in foreign currency exchange rates, commodity prices and interest rates that could affect our results of operations and financial condition. The impact on our results and financial position and the amounts reported in our financial statements will vary based upon the currency, commodity and interest rate market movements during the period, the effectiveness and level of derivative instruments outstanding and whether they are designated and qualify for hedge accounting.

The estimated fair values of our derivative instruments change with fluctuations in currency rates, commodity prices and/or interest rates and are expected to offset changes in the values of the underlying exposures. Our derivative instruments are held solely to manage our exposures to the aforementioned market risks as part of

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our normal business operations. We follow strict policies to manage these risks and do not enter into derivative instruments for trading or speculative purposes. The aggregate notional value of outstanding derivative instruments is as follows:

(in millions)	February 28, 2018	February 28, 2017
Derivative instruments designated as hedging instruments		
Foreign currency contracts	$ 1,465.4	$ 981.7
Interest rate swap contracts	$ —	$ 250.0
Derivative instruments not designated as hedging instruments		
Foreign currency contracts	$ 440.6	$ 389.9
Commodity derivative contracts	$ 177.5	$ 153.2

Cash flow hedges –
Our derivative instruments designated in hedge accounting relationships are designated as cash flow hedges. We are exposed to foreign denominated cash flow fluctuations primarily in connection with third party and intercompany sales and purchases. We primarily use foreign currency forward contracts to hedge certain of these risks. In addition, we utilize interest rate swap contracts periodically to manage our exposure to changes in interest rates. Derivatives managing our cash flow exposures generally mature within three years or less, with a maximum maturity of five years.

To qualify for hedge accounting treatment, the details of the hedging relationship must be formally documented at inception of the arrangement, including the risk management objective, hedging strategy, hedged item, specific risk that is being hedged, the derivative instrument, how effectiveness is being assessed and how ineffectiveness will be measured. The derivative must be highly effective in offsetting changes in the cash flows of the risk being hedged. Throughout the term of the designated cash flow hedge relationship on at least a quarterly basis, a retrospective evaluation and prospective assessment of hedge effectiveness is performed based on quantitative and qualitative measures. All components of our derivative instruments' gains or losses are included in the assessment of hedge effectiveness. Resulting ineffectiveness, if any, is recognized immediately in our results of operations.

When we determine that a derivative instrument which qualified for hedge accounting treatment has ceased to be highly effective as a hedge, we discontinue hedge accounting prospectively. In the event the relationship is no longer effective, we recognize the change in the fair value of the hedging derivative instrument from the date the hedging derivative instrument became no longer effective immediately in our results of operations. We also discontinue hedge accounting prospectively when (i) a derivative expires or is sold, terminated, or exercised; (ii) it is no longer probable that the forecasted transaction will occur; or (iii) we determine that designating the derivative as a hedging instrument is no longer appropriate. When we discontinue hedge accounting prospectively, but the original forecasted transaction continues to be probable of occurring, the existing gain or loss of the derivative instrument remains in AOCI and is reclassified into earnings when the forecasted transaction occurs. When it becomes probable that the forecasted transaction will not occur, any remaining gain or loss in AOCI is recognized immediately in our results of operations.

We expect $10.0 million of net gains, net of income tax effect, to be reclassified from AOCI to our results of operations within the next 12 months.

Undesignated hedges –
Certain of our derivative instruments do not qualify for hedge accounting treatment; for others, we choose not to maintain the required documentation to apply hedge accounting treatment. These undesignated instruments are

primarily used to economically hedge our exposure to fluctuations in the value of foreign currency denominated receivables and payables; foreign currency investments, primarily consisting of loans to subsidiaries, and cash flows related primarily to the repatriation of those loans or investments; and commodity prices, primarily consisting of aluminum, natural gas and diesel fuel prices. We primarily use foreign currency forward and option contracts,

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generally less than 12 months in duration, and commodity swap contracts, generally less than 36 months in duration, with a maximum maturity of five years, to hedge some of these risks. Our derivative policy permits the use of undesignated derivatives as approved by senior management.

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 February 28, 2018, the estimated fair value of derivative instruments in a net liability position due to counterparties was $3.7 million. If we were required to settle the net liability position under these derivative instruments on February 28, 2018, we would have had sufficient 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 7):

Assets			Liabilities		
	February 28, 2018	February 28, 2017		February 28, 2018	February 28, 2017
(in millions)					
Derivative instruments designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	$ 21.2	$ 5.2	Other accrued expenses and liabilities	$ 7.8	$ 30.4
Other assets	$ 17.0	$ 6.0	Other liabilities	$ 9.9	$ 37.4
Interest rate swap contracts:					
Prepaid expenses and other	$ —	$ 0.3	Other accrued expenses and liabilities	$ —	$ 0.3
Other assets	$ —	$ 4.4			
Derivative instruments not designated as hedging instruments					
Foreign currency contracts:					
Prepaid expenses and other	$ 2.1	$ 2.0	Other accrued expenses and liabilities	$ 2.2	$ 2.6
Commodity derivative contracts:					
Prepaid expenses and other	$ 6.3	$ 4.3	Other accrued expenses and liabilities	$ 3.0	$ 6.9
Other assets	$ 2.8	$ 1.5	Other liabilities	$ 2.6	$ 4.7

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The principal 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 Year Ended February 28, 2018			
Foreign currency contracts	$ 58.4	Sales	$ (1.4)
		Cost of product sold	1.3
Interest rate swap contracts	(1.5)	Interest expense	2.2
	$ 56.9		$ 2.1
For the Year Ended February 28, 2017			
Foreign currency contracts	$ (25.8)	Sales	$ 1.1
		Cost of product sold	(28.3)
Interest rate swap contracts	2.8	Interest expense	(4.0)
	$ (23.0)		$ (31.2)
For the Year Ended February 29, 2016			
Foreign currency contracts	$ (41.7)	Sales	$ 2.1
		Cost of product sold	(20.0)
Interest rate swap contracts	(1.6)	Interest expense	(8.1)
	$ (43.3)		$ (26.0)

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 Year Ended February 28, 2018		
Commodity derivative contracts	Cost of product sold	$ 7.5
Foreign currency contracts	Selling, general and administrative expenses	6.0
		$ 13.5
For the Year Ended February 28, 2017		
Commodity derivative contracts	Cost of product sold	$ 16.3
Foreign currency contracts	Selling, general and administrative expenses	(26.1)
		$ (9.8)
For the Year Ended February 29, 2016		
Commodity derivative contracts	Cost of product sold	$ (48.1)
Foreign currency contracts	Selling, general and administrative expenses	(21.1)
Interest rate swap contracts	Interest expense	(0.1)

$ (69.3)

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS:

Authoritative guidance establishes a framework for measuring fair value, including 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.

Fair value methodology and assumptions –
The following methods and assumptions are used to estimate the fair value for each class of our financial instruments:

Foreign currency and commodity derivative contracts: The fair value is estimated 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 (Level 2 fair value measurement).
Interest rate swap contracts: The fair value is estimated based on quoted market prices 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 (Level 2 fair value measurement).
Equity securities, Trading (with the intent of holding more than one year): In November 2017, we acquired (i) a 9.9% investment in Ontario, Canada-based Canopy Growth Corporation, a public company and leading provider of medicinal cannabis products (the "Canopy Investment"), and (ii) warrants which give us the option to purchase an additional ownership interest in Canopy Growth Corporation (the "Canopy Warrants") for C$245.0 million, or $191.3 million. The Canopy Warrants expire in May 2020. For the year ended February 28, 2018, we recognized an unrealized gain of $464.3 million from the changes in fair value of the Canopy Investment and the Canopy Warrants, which is included in income from unconsolidated investments. The fair value of the Canopy Investment is calculated by using the closing market price of the underlying equity security (Level 1 fair value measurement). The fair value of the Canopy Warrants is estimated using the Black-Scholes option-pricing model (Level 2 fair value measurement).
The assumptions used to estimate the fair value of the Canopy Warrants as of February 28, 2018, are as follows:

Expected life (1)	2.2 years	
Expected volatility (2)	70.9	%
Risk-free interest rate (3)	1.8	%
Expected dividend yield (4)	0.0	%

(1) Based on the expiration date of the warrants.
(2) Based on historical volatility levels of the underlying equity security.
(3) Based on the implied yield currently available on Canadian Treasury zero coupon issues with a remaining term equal to the expected life.
(4) Based on historical dividend levels.

Debt securities, Available-for-sale ("AFS"): The fair value is estimated by discounting cash flows using market-based inputs (Level 3 fair value measurement) (see "Subsequent event" below).
Short-term borrowings: The revolving credit facility under our senior credit facility is a variable interest rate bearing note which includes a fixed margin which is adjustable based upon our debt ratio (as defined in our senior credit facility). Its fair value is estimated by discounting cash flows using LIBOR plus a margin reflecting current market conditions obtained from participating member financial institutions (Level 2 fair value

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measurement). The remaining instruments, including our commercial paper and accounts receivable securitization facilities, are variable interest rate bearing notes for which the carrying value approximates the fair value.
Long-term debt: The term loan under our senior credit facility is a variable interest rate bearing note which includes a fixed margin which is adjustable based upon our debt ratio. The fair value of the term loan is estimated by discounting cash flows using LIBOR plus a margin reflecting current market conditions obtained from participating member financial institutions (Level 2 fair value measurement). The fair value of the remaining long-term debt, which is primarily fixed interest rate, is estimated by discounting cash flows using interest rates currently available for debt with similar terms and maturities (Level 2 fair value measurement).

The carrying amounts of certain of our financial instruments, including cash and cash equivalents, accounts receivable, accounts payable and short-term borrowings, approximate fair value as of February 28, 2018, and February 28, 2017, due to the relatively short maturity of these instruments. As of February 28, 2018, the carrying amount of long-term debt, including the current portion, was $9,439.9 million, compared with an estimated fair value of $9,398.4 million. As of February 28, 2017, the carrying amount of long-term debt, including the current portion, was $8,631.6 million, compared with an estimated fair value of $8,845.5 million.

Recurring basis measurements –
The following table presents our financial assets and liabilities measured at estimated fair value on a recurring basis:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
(in millions)				
February 28, 2018				
Assets:				
Foreign currency contracts	$—	$ 40.3	$ —	$40.3
Commodity derivative contracts	$—	$ 9.1	$ —	$9.1
Equity securities, Trading	$402.4	$ 253.2	$ —	$655.6
Debt securities, AFS	$—	$ —	$ 16.6	$16.6
Liabilities:				
Foreign currency contracts	$—	$ 19.9	$ —	$19.9
Commodity derivative contracts	$—	$ 5.6	$ —	$5.6
February 28, 2017				
Assets:				
Foreign currency contracts	$—	$ 13.2	$ —	$13.2
Commodity derivative contracts	$—	$ 5.8	$ —	$5.8
Interest rate swap contracts	$—	$ 4.7	$ —	$4.7
Debt securities, AFS	$—	$ —	$ 9.5	$9.5
Liabilities:				
Foreign currency contracts	$—	$ 70.4	$ —	$70.4
Commodity derivative contracts	$—	$ 11.6	$ —	$11.6
Interest rate swap contracts	$—	$ 0.3	$ —	$0.3

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Nonrecurring basis measurements –
The following table presents our assets and liabilities measured at estimated fair value on a nonrecurring basis for which an impairment assessment was performed for the period presented:

	Fair Value Measurements Using			
	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses
(in millions)				
For the Year Ended February 28, 2018				
Trademarks	$ —	$ —	$ 136.0	$ 86.8
For the Year Ended February 28, 2017				
Trademarks	$ —	$ —	$ —	$ 46.0

Trademarks:
For the first quarter of fiscal 2018, we identified certain negative trends within our Beer segment’s Ballast Point craft beer portfolio which, when combined with the recent negative craft beer industry trends, including slower growth rates and increased competition, indicated that it was more likely than not that the fair value of our indefinite lived intangible asset associated with the craft beer trademarks might be below its carrying value. These negative trends were the result of (i) a disruption in our distribution network transition plan, (ii) an unexpected decrease in sales from product innovations and (iii) a significant shift in market conditions for our craft beer portfolio, all of which resulted in a decline in net sales and depletion trends, which represent distributor shipments of our branded products to retail customers, for the first quarter of fiscal 2018 as compared to the first quarter of fiscal 2017, following consecutive quarters of significant net sales and depletion volume growth for our craft beer portfolio. Additionally, net sales for the first quarter of fiscal 2018 were below our forecasted net sales for the first quarter of fiscal 2018. Accordingly, we performed a quantitative assessment for impairment of the craft beer trademark asset. As a result of this assessment, the craft beer trademark asset with a carrying value of $222.8 million was written down to its estimated fair value of $136.0 million, resulting in an impairment of $86.8 million. This impairment is included in selling, general and administrative expenses.

For the fourth quarter of fiscal 2017, in connection with our continued focus on the premiumization of our branded wine and spirits portfolio, a decision was made to discontinue certain small-scale, low-margin U.S. brands within our Wine and Spirits’ portfolio. As a result, trademarks with a carrying value of $37.6 million were written down to their estimated fair value, resulting in an impairment of $37.6 million.

In addition, in connection with the Canadian Divestiture in the fourth quarter of fiscal 2017, trademarks with a carrying value of $8.4 million were written down to their estimated fair value, resulting in an impairment of $8.4 million. These trademarks were associated with certain U.S. brands within our Wine and Spirits’ portfolio sold exclusively through the Canadian wine business, for which we expected future sales of these brands to be minimal subsequent to the Canadian Divestiture.

When performing a quantitative assessment for impairment of a trademark asset, we measure the amount of impairment by calculating the amount by which the carrying value of the trademark asset exceeds its estimated fair value. The estimated fair value is determined based on an income approach using the relief from royalty method, which assumes that, in lieu of ownership, a third party would be willing to pay a royalty in order to exploit the related benefits of the trademark asset. The cash flow projections we use to estimate the fair value of our trademarks involve several assumptions, including (i) projected revenue growth rates, (ii) estimated royalty rates, (iii) after-tax royalty savings expected from ownership of the trademarks and (iv) discount rates used to derive the estimated fair value of the trademarks.

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8. GOODWILL:

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

	Beer	Wine and Spirits	Consolidated
(in millions)			
Balance, February 29, 2016	$4,530.1	$2,608.5	$ 7,138.6
Purchase accounting allocations [1]	510.8	373.7	884.5
Canadian Divestiture [2]	—	(126.1)	(126.1)
Foreign currency translation adjustments	12.1	11.4	23.5
Balance, February 28, 2017	5,053.0	2,867.5	7,920.5
Purchase accounting allocations [3]	63.9	56.2	120.1
Foreign currency translation adjustments	40.7	1.8	42.5
Balance, February 28, 2018	$5,157.6	$2,925.5	$ 8,083.1

(1) Purchase accounting allocations primarily associated with the acquisitions of the Obregon Brewery (Beer), Prisoner, High West and Charles Smith (Wine and Spirits) (see Note 2).

(2) Includes accumulated impairment losses of C$289.1 million, or $216.8 million (see Note 2).

(3) Purchase accounting allocations associated primarily with the acquisition of the Obregon Brewery ($13.8 million) and preliminary purchase accounting allocations associated with the acquisitions of Funky Buddha (Beer) and Schrader Cellars (Wine and Spirits) (see Note 2).

9. INTANGIBLE ASSETS:

The major components of intangible assets are as follows:

	February 28, 2018		February 28, 2017	
	Gross Carrying Amount	Net Carrying Amount	Gross Carrying Amount	Net Carrying Amount
(in millions)				
Amortizable intangible assets				
Customer relationships	$89.8	$44.2	$89.1	$48.6
Other	20.3	1.4	19.9	1.7
Total	$110.1	45.6	$109.0	50.3
Nonamortizable intangible assets				
Trademarks		3,259.2		3,327.4
Total intangible assets		$3,304.8		$3,377.7

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We did not incur costs to renew or extend the term of acquired intangible assets for the years ended February 28, 2018, and February 28, 2017. Net carrying amount represents the gross carrying value net of accumulated amortization. Amortization expense for intangible assets was $5.9 million, $10.4 million and $40.7 million for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, respectively. Estimated amortization expense for each of the five succeeding fiscal years and thereafter is as follows:

(in millions)	
2019	$5.9
2020	$5.7
2021	$5.4
2022	$5.1
2023	$3.2
Thereafter	$20.3

10. OTHER ASSETS:

The major components of other assets are as follows:

	February 28, 2018	February 28, 2017
(in millions)		
Investments in equity securities, Trading	$ 655.6	$ —
Investments in equity method investees	121.5	98.7
Other	110.0	42.7
	$ 887.1	$ 141.4

Subsequent event –
Subsequent to February 28, 2018, we entered into an agreement to sell our remaining interest in our previously-owned Australian and European business for approximately A$130 million, or $100 million, subject to closing adjustments. This interest consists of an investment accounted for under the cost method and AFS debt securities, and is included in other long-term assets. We expect to recognize a gain of approximately $85 million in connection with this transaction for the first quarter of fiscal 2019.

11. OTHER ACCRUED EXPENSES AND LIABILITIES:

The major components of other accrued expenses and liabilities are as follows:

	February 28, 2018	February 28, 2017
(in millions)		
Salaries, commissions, and payroll benefits and withholdings	$ 149.0	$ 148.5
Promotions and advertising	114.1	116.9
Accrued interest	86.7	87.5
Income taxes payable	48.5	60.2
Accrued excise taxes	28.7	44.6
Other	156.4	162.7
	$ 583.4	$ 620.4

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12. BORROWINGS:

Borrowings consist of the following:

	February 28, 2018			February 28, 2017
	Current	Long-term	Total	Total
(in millions)				
Short-term borrowings				
Senior credit facility, Revolving credit loans	$79.0			$ 231.0
Commercial paper	266.9			—
Other	400.9			375.5
	$746.8			$ 606.5
Long-term debt				
Senior credit facility, Term loans	$5.0	$ 492.7	$497.7	$ 3,787.5
Senior notes	—	8,674.2	8,674.2	4,617.0
Other	17.3	250.7	268.0	227.1
	$22.3	$ 9,417.6	$9,439.9	$ 8,631.6

Senior credit facility –
In March 2016, the Company, CIH International S.à r.l., a wholly-owned indirect subsidiary of ours (“CIH”), CIH Holdings S.à r.l., a wholly-owned indirect subsidiary of ours (“CIHH”), Bank of America, N.A., as administrative agent (the “Administrative Agent”), and certain other lenders entered into a Restatement Agreement (the “March 2016 Restatement Agreement”) that amended and restated our then existing senior credit facility (as amended and restated by the March 2016 Restatement Agreement, the “March 2016 Credit Agreement”). The principal changes effected by the March 2016 Restatement Agreement were:

- The creation of a new $700.0 million European Term A-1 loan facility maturing on March 10, 2021;
- An increase of the European revolving commitment under the revolving credit facility by $425.0 million to $1.0 billion;
- The addition of CIHH as a new borrower under the new European Term A-1 loan facility and the European revolving commitment; and
- The entry into a cross-guarantee agreement by CIH and CIHH whereby each guarantees the other’s obligations under the March 2016 Credit Agreement.

In October 2016, the Company, CIH, CIHH, CB International Finance S.à r.l., a wholly-owned indirect subsidiary of ours (“CB International” and together with CIH and CIHH, the “2016 European Borrowers”), the Administrative Agent, and certain other lenders entered into a Restatement Agreement (the “2016 Restatement Agreement”) that amended and restated the March 2016 Credit Agreement (as amended and restated by the 2016 Restatement Agreement, the “2016 Credit Agreement”). The principal changes effected by the 2016 Restatement Agreement were:

- The creation of a new $400.0 million European Term A-2 loan facility with CIH as the borrower, maturing on March 10, 2021;
- An adjustment of the Incremental Facilities (as defined below) from a fixed amount to a flexible amount;
- The addition of CB International as a new borrower under the European revolving commitment; and
- The entry into an amended and restated cross-guarantee agreement by the 2016 European Borrowers whereby each guarantees the others’ obligations under the 2016 Credit Agreement.

In May 2017, we repaid the outstanding obligations under the U.S. Term A loan facility under the 2016 Credit Agreement primarily with a portion of the proceeds from the May 2017 senior notes and revolver borrowings under the 2016 Credit Agreement.

In July 2017, the Company, CIH, CB International (together with CIH, the "European Borrowers"), CIHH, the Administrative Agent, and certain other lenders entered into a Restatement Agreement (the "2017 Restatement

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Agreement") that amended and restated the 2016 Credit Agreement (as amended and restated by the 2017 Restatement Agreement, the "2017 Credit Agreement"). The principal changes effected by the 2017 Restatement Agreement were:

- The refinance and increase of the existing U.S. Term A-1 loan facility with a new $500.0 million U.S. Term A-1 loan facility and extension of its maturity to July 14, 2024;
- The creation of a new $2.0 billion European Term A loan facility into which the then existing European Term A loan facility, European Term A-1 loan facility and European Term A-2 loan facility were combined;
- The increase of the revolving credit facility by $350.0 million to $1.5 billion and extension of its maturity to July 14, 2022; and
- The removal of CIHH as a borrower under the 2017 Restatement Agreement.

In addition, the Company and certain of our U.S. subsidiaries executed an amended and restated guarantee agreement which, among other things, released certain of our U.S. subsidiaries as guarantors of borrowings under the 2017 Credit Agreement. Furthermore, the European Borrowers executed an amended and restated cross-guarantee agreement which, among other things, removed CIHH as a party to the amended and restated cross-guarantee agreement. The U.S. obligations under the 2017 Credit Agreement are guaranteed by certain of our U.S. subsidiaries. The European obligations under the 2017 Credit Agreement are guaranteed by us and certain of our U.S. subsidiaries. The European obligations are cross-guaranteed by the European Borrowers whereby each guarantees the other's obligations.

In November 2017, we repaid the outstanding obligations under the European Term A loan facility under the 2017 Credit Agreement primarily with proceeds from the November 2017 senior notes. Accordingly, as of February 28, 2018, the 2017 Credit Agreement provides for aggregate credit facilities of $2,000.0 million, consisting of the following:

	Amount	Maturity
(in millions)		
Revolving Credit Facility (1) (2)	$1,500.0	July 14, 2022
U.S. Term A-1 Facility (1) (3)	500.0	July 14, 2024
	$2,000.0	

(1) Contractual interest rate varies based on our debt rating (as defined in the 2017 Credit Agreement) and is a function of LIBOR plus a margin, or the base rate plus a margin.

(2) Consists of a $190.0 million U.S. Revolving Credit Facility and a $1,310.0 million European Revolving Credit Facility. We are the borrower under the $1,500.0 million Revolving Credit Facility (inclusive of the U.S. Revolving Credit Facility and the European Revolving Credit Facility). CIH and/or CB International are additional borrowers under the European Revolving Credit Facility. Includes two sub-facilities for letters of credit of up to $200.0 million in the aggregate.

(3) We are the borrower under the U.S. Term A-1 loan facility.

The 2017 Credit Agreement also permits us to elect, subject to the willingness of existing or new lenders to fund such increase or term loans and other customary conditions, to increase the revolving credit commitments or add one or more tranches of additional term loans (the "Incremental Facilities"). The Incremental Facilities may be an unlimited amount so long as our leverage ratio, as defined and computed pursuant to the 2017 Credit Agreement, is no greater than 4.00 to 1.00 subject to certain limitations for the period defined pursuant to the 2017 Credit Agreement.

We and our subsidiaries are subject to covenants that are contained in the 2017 Credit Agreement, including those restricting the incurrence of additional indebtedness (including guarantees of indebtedness) by subsidiaries that are not guarantors, additional liens, mergers and consolidations, transactions with affiliates, and sale and leaseback transactions, in each case subject to numerous conditions, exceptions and thresholds. The financial covenants are limited to a minimum interest coverage ratio and a maximum net leverage ratio.

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As of February 28, 2018, information with respect to borrowings under the 2017 Credit Agreement is as follows:

	Revolving Credit Facility	U.S. Term A-1 Facility (1)
(in millions)		
Outstanding borrowings	$79.0	$ 497.7
Interest rate	2.9 %	3.1 %
LIBOR margin	1.25 %	1.55 %
Outstanding letters of credit	$13.7	
Remaining borrowing capacity (2)	$1,140.3	

(1) Outstanding term loan facility borrowings are net of unamortized debt issuance costs.

(2) Net of outstanding revolving credit facility borrowings and outstanding letters of credit under the 2017 Credit Agreement and outstanding borrowings under our commercial paper program of $267.0 million (excluding unamortized discount) (see “Commercial paper program”).

Commercial paper program –

In October 2017, we implemented a commercial paper program which provides for the issuance of up to an aggregate principal amount of $1.0 billion of commercial paper. Our commercial paper program is backed by unused commitments under our revolving credit facility under our 2017 Credit Agreement. Accordingly, outstanding borrowings under our commercial paper program reduce the amount available under our revolving credit facility under our 2017 Credit Agreement. As of February 28, 2018, we had $266.9 million of outstanding borrowings, net of unamortized discount, under our commercial paper program with a weighted average annual interest rate of 2.1% and a weighted average remaining term of 10 days.

Senior notes –

Our outstanding senior notes are as follows:

	Principal	Date of Issuance	Maturity	Interest Payments	Outstanding Balance (1) February 28, 2018	February 28, 2017
(in millions)						
7.25% Senior Notes (2)	$700.0	Jan 2008	May 2017	May/Nov	$—	$ 699.9
6.00% Senior Notes (2) (3)	$600.0	Apr 2012	May 2022	May/Nov	—	594.9
3.75% Senior Notes (2) (4)	$500.0	May 2013	May 2021	May/Nov	498.0	497.4
4.25% Senior Notes (2) (4)	$1,050.0	May 2013	May 2023	May/Nov	1,044.4	1,043.4
3.875% Senior Notes (2) (4)	$400.0	Nov 2014	Nov 2019	May/Nov	397.9	396.8
4.75% Senior Notes (2) (4)	$400.0	Nov 2014	Nov 2024	May/Nov	395.9	395.4
4.75% Senior Notes (2) (4)	$400.0	Dec 2015	Dec 2025	Jun/Dec	395.3	394.8
3.70% Senior Notes (2) (5)	$600.0	Dec 2016	Dec 2026	Jun/Dec	594.9	594.4
2.70% Senior Notes (2) (5)	$500.0	May 2017	May 2022	May/Nov	495.9	—
3.50% Senior Notes (2) (5)	$500.0	May 2017	May 2027	May/Nov	495.1	—
4.50% Senior Notes (2) (5)	$500.0	May 2017	May 2047	May/Nov	492.7	—
2.00% Senior Notes (2) (6)	$600.0	Nov 2017	Nov 2019	May/Nov	596.8	—
2.25% Senior Notes (2) (6)	$700.0	Nov 2017	Nov 2020	May/Nov	695.0	—
2.65% Senior Notes (2) (5)	$700.0	Nov 2017	Nov 2022	May/Nov	692.3	—
3.20% Senior Notes (2) (5)	$600.0	Feb 2018	Feb 2023	Feb/Aug	595.0	—
3.60% Senior Notes (2) (5)	$700.0	Feb 2018	Feb 2028	Feb/Aug	693.2	—
4.10% Senior Notes (2) (5)	$600.0	Feb 2018	Feb 2048	Feb/Aug	591.8	—
					$8,674.2	$ 4,617.0

(1) Amounts are net of unamortized debt issuance costs and unamortized discounts, where applicable.

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(2) Senior unsecured obligations which rank equally in right of payment to all of our existing and future senior unsecured indebtedness. Guaranteed by certain of our U.S. subsidiaries on a senior unsecured basis.

(3) Redeemed prior to maturity in February 2018 at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and a make-whole payment of $73.6 million. The make-whole payment is included in loss on extinguishment of debt.

(4) 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 accrued and unpaid interest and a make-whole payment based on the present value of the future payments at the adjusted Treasury Rate plus 50 basis points.

(5) Redeemable, in whole or in part, at our option at any time prior to the stated redemption date as defined in the indenture, at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and a make-whole payment based on the present value of the future payments at the adjusted Treasury Rate plus the stated basis points as defined in the indenture. On or after the stated redemption date, 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 accrued and unpaid interest.

	Redemption Stated Redemption Date	Stated Basis Points
3.70% Senior Notes due December 2026	Sept 2026	25
2.70% Senior Notes due May 2022	Apr 2022	15
3.50% Senior Notes due May 2027	Feb 2027	20
4.50% Senior Notes due May 2047	Nov 2046	25
2.65% Senior Notes due November 2022	Oct 2022	15
3.20% Senior Notes due February 2023	Jan 2023	13
3.60% Senior Notes due February 2028	Nov 2027	15
4.10% Senior Notes due February 2048	Aug 2047	20

(6) Redeemable, in whole or in part, at our option at any time prior to maturity, at a redemption price equal to 100% of the outstanding principal amount, plus accrued and unpaid interest and a make-whole payment based on the present value of the future payments at the adjusted Treasury Rate plus 10 basis points.

Indentures –

Our indentures relating to our outstanding senior notes contain certain covenants, including, but not limited to: (i) a limitation on liens on certain assets, (ii) a limitation on certain sale and leaseback transactions, and (iii) restrictions on mergers, consolidations and the transfer of all or substantially all of our assets to another person.

Subsidiary credit facilities –

General:

We have additional credit arrangements totaling $503.5 million and $442.8 million as of February 28, 2018, and February 28, 2017, respectively. As of February 28, 2018, and February 28, 2017, amounts outstanding under these arrangements were $277.0 million and $269.5 million, respectively, the majority of which is classified as long-term as of the respective date. These arrangements primarily support the financing needs of our domestic and foreign subsidiary operations, as well as our glass production plant joint venture (see "Other long-term debt"). Interest rates and other terms of these borrowings vary from country to country, depending on local market conditions.

Other long-term debt:

During the year ended February 28, 2017, we recorded an immaterial adjustment related to the prior period for the noncash conversion of $132.0 million from noncontrolling equity interests to long-term debt associated with a contractual agreement with our glass production plant joint venture partner, Owens-Illinois. As of February 28, 2018, and February 28, 2017, outstanding borrowings under this contractual agreement were $230.5 million and $183.5

million, respectively. Amounts outstanding under the contractual agreement are included in our consolidated balance sheet in accordance with our consolidation of this VIE. These borrowings have a maturity date of December 2064 with both a fixed and variable interest rate component. The variable interest rate is based upon

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certain performance measures as defined in the contractual agreement. As of February 28, 2018, the weighted average interest rate for amounts outstanding under the contractual agreement was 4.3%.

Debt payments –
As of February 28, 2018, the required principal repayments under long-term debt obligations (excluding unamortized debt issuance costs and unamortized discounts of $63.6 million and $13.3 million, respectively) for each of the five succeeding fiscal years and thereafter are as follows:

(in millions)	
2019	$22.3
2020	1,016.1
2021	711.6
2022	507.5
2023	1,805.0
Thereafter	5,454.3
	$9,516.8

Accounts receivable securitization facilities –
We have a 364-day revolving trade accounts receivable securitization facility (the “CBI Facility”), and Crown Imports, a wholly-owned indirect subsidiary of ours, has a 364-day revolving trade accounts receivable securitization facility (the “Crown Facility”), both of which are amended annually, generally under substantially identical provisions in all material respects to the prior facilities.

Under the CBI Facility, trade accounts receivable generated by us and certain of our subsidiaries are sold by us to our wholly-owned bankruptcy remote single purpose subsidiary (the “CBI SPV”), which is consolidated by us for financial reporting purposes. 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. These receivables have been pledged by the CBI SPV and the Crown SPV to secure borrowings under the CBI Facility and the Crown Facility, respectively, with such receivables serviced by us and Crown, respectively. The receivable balances related to the CBI Facility and the Crown Facility are reported as accounts receivable on our balance sheets, but the receivables are at all times owned by the CBI SPV and the Crown SPV, respectively, and are included on our financial statements as required by generally accepted accounting principles.

Under both facilities, there are two lenders, one holding 60% of the aggregate facility and the other holding 40% of the aggregate facility. Borrowings under the CBI Facility and the Crown Facility are recorded as secured borrowings and bear interest as follows: (i) 60% of the borrowings are charged at that lender’s cost of funds plus a margin of 75 basis points and (ii) 40% of the borrowings are charged at one-month LIBOR plus a margin of 75 basis points. The CBI Facility provides borrowing capacity of $230.0 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 Crown Facility provides borrowing capacity of $130.0 million up to $250.0 million structured to account for the seasonality of Crown Imports’ business.

As of February 28, 2018, our accounts receivable securitization facilities are as follows:

	Outstanding Borrowings	Weighted Average Interest Rate	Remaining Borrowing Capacity
(in millions)			
CBI Facility	$ 246.9	2.4 %	$ 13.1

Crown Facility	$	145.0	2.4	%	$ —

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13. INCOME TAXES:

Income before income taxes was generated as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Domestic	$596.2	$ 788.0	$ 599.3
Foreign	1,746.5	1,305.4	901.9
	$2,342.7	$ 2,093.4	$ 1,501.2

The income tax provision (benefit) consisted of the following:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Current			
Federal	$261.2	$ 270.8	$ 126.2
State	20.4	28.5	19.9
Foreign	158.4	126.2	43.5
Total current	440.0	425.5	189.6
Deferred			
Federal	(486.8)	113.4	232.4
State	0.4	7.5	15.6
Foreign	58.3	7.8	3.0
Total deferred	(428.1)	128.7	251.0
Income tax provision	$11.9	$ 554.2	$ 440.6

On December 22, 2017, the Tax Cuts and Jobs Act (the “TCJ Act”) was signed into law. The TCJ Act significantly changes U.S. corporate income taxes by, among other items, lowering the federal statutory rate from 35% to 21%, eliminating certain deductions, changing how foreign earnings are subject to U.S. tax and imposing a mandatory one-time transition tax on accumulated earnings of foreign subsidiaries. In December 2017, the SEC issued guidance related to the income tax accounting implications of the TCJ Act. This guidance provides a measurement period, which extends no longer than one year from the enactment date of the TCJ Act, during which a company may complete its accounting for the income tax implications of the TCJ Act. In accordance with this guidance, we recorded a provisional net income tax benefit of $363.0 million for the year ended February 28, 2018. This amount is comprised primarily of (i) a benefit of $323.0 million from the remeasurement of our deferred tax assets and liabilities to the new, lower federal statutory rate and (ii) a benefit of $220.0 million from the reversal of deferred tax liabilities previously provided for unremitted earnings of foreign subsidiaries which were not considered to be indefinitely reinvested; partially offset by the recording of the mandatory one-time transition tax of $180.0 million on unremitted earnings of our foreign subsidiaries. Additionally, we will reflect any adjustments to the recorded provisional amounts in the reporting period in which the adjustments are determined.

The TCJ Act also creates a new requirement that certain income earned by foreign subsidiaries (“GILTI”), must be included in U.S. gross income. The FASB allows an accounting policy election of either recognizing deferred taxes for temporary differences expected to reverse as GILTI in future years or recognizing such taxes as a current period expense when incurred. Our provisional net income tax benefit does not include deferred taxes relating to GILTI as we expect to recognize such differences as a current period tax when incurred.

Due to the timing of the enactment and the complexity involved in applying the provisions of the TCJ Act, we have made reasonable estimates of the effects and, as previously noted, recorded provisional amounts in our financial statements as of and for the year ended February 28, 2018, based on currently available information.

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Specific to the provisional net income tax benefit recorded for the remeasurement of our deferred tax assets and liabilities, although the tax rate reduction is known, we have not collected certain information necessary to fully complete our analysis of the effect of the TCJ Act on the underlying deferred taxes. Specific to the provisional income tax expense for the mandatory one-time transition tax on unremitted earnings of our foreign subsidiaries, further analysis is required for certain foreign taxable earnings and profits and foreign tax credits, as well as an interpretive determination on the classification of certain cash equivalents.

As we complete our analysis of the income tax effects of the TCJ Act and incorporate additional guidance that may be issued by the U.S. Treasury Department, the Internal Revenue Service ("IRS") or other standard-setting bodies, we may identify additional income tax effects not reflected as of February 28, 2018, which may result in adjustment to the recorded provisional amounts in subsequent reporting periods as discrete adjustments to our income tax provision. Those adjustments may materially impact our provision for income taxes and effective tax rate in the period in which the adjustments are made. The accounting for the income tax effects of the TCJ Act will be completed no later than one year from the enactment date of the TCJ Act.

Prior to the third quarter of fiscal 2017, we had historically provided deferred income taxes for the repatriation to the U.S. of earnings from our foreign subsidiaries. During the third quarter of fiscal 2017, in connection with the agreement to divest the Canadian wine business and the ongoing Beer capacity expansion activities in Mexico, including the agreement to acquire the Obregon Brewery, we changed our assertion regarding our ability and intent to indefinitely reinvest unremitted earnings of certain foreign subsidiaries. Approximately $420 million of our earnings for the year ended February 28, 2017, and all future earnings for these foreign subsidiaries were expected to be indefinitely reinvested. Therefore, no deferred income taxes had been provided on these applicable unremitted earnings. Although we expect to continue to reinvest these foreign earnings, as the TCJ Act reduces the tax impact of repatriation, beginning in the fourth quarter of fiscal 2018, we have provided deferred income taxes, consisting primarily of foreign withholding and state taxes, on all applicable unremitted earnings of our foreign subsidiaries.

A reconciliation of the total tax provision (benefit) to the amount computed by applying the statutory U.S. Federal income tax rate to income before provision for (benefit from) income taxes is as follows:

	For the Years Ended					
	February 28, 2018		February 28, 2017		February 29, 2016	
	Amount	% of Pretax Income	Amount	% of Pretax Income	Amount	% of Pretax Income
(in millions, except % of pretax income data)						
Income tax provision at statutory rate	$766.9	32.7 %	$732.7	35.0%	$525.4	35.0%
State and local income taxes, net of federal income tax benefit [1]	17.5	0.7 %	23.4	1.1 %	23.1	1.5 %
Provisional net income tax benefit from TCJ Act	(363.0)	(15.5%)	—	— %	—	— %
Earnings of subsidiaries taxed at other than U.S. statutory rate [2]	(319.1)	(13.6%)	(160.4)	(7.6 %)	(101.2)	(6.7 %)
Excess tax benefits from stock-based compensation awards [3]	(68.6)	(2.9 %)	—	— %	—	— %
Canadian Divestiture	—	— %	(25.5)	(1.2 %)	—	— %
Miscellaneous items, net	(21.8)	(0.9 %)	(16.0)	(0.8 %)	(6.7)	(0.5 %)
Income tax provision at effective rate	$11.9	0.5 %	$554.2	26.5%	$440.6	29.3%

(1) Consists of differences resulting from adjustments to the current and deferred state effective tax rates.

(2) Consists of the difference between the U.S. statutory rate and local jurisdiction tax rates, as well as the provision for incremental U.S. taxes on unremitted earnings of certain foreign subsidiaries offset by foreign tax credits and other foreign adjustments.

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(3) Consists of the recognition of the income tax effect of stock-based compensation awards in the income statement when the awards vest or are settled as a result of our March 1, 2017, adoption of FASB amended share-based compensation guidance.

Deferred tax assets and liabilities reflect the future income tax effects of temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and are measured using enacted tax rates that apply to taxable income.

Significant components of deferred tax assets (liabilities) consist of the following:

(in millions)	February 28, 2018	February 28, 2017
Deferred tax assets		
Loss carryforwards	$ 106.0	$ 144.0
Stock-based compensation	29.1	43.2
Inventory	18.3	12.5
Other accruals	57.2	32.0
Gross deferred tax assets	210.6	231.7
Valuation allowances	(112.1)	(134.1)
Deferred tax assets, net	98.5	97.6
Deferred tax liabilities		
Intangible assets	(499.8)	(720.6)
Property, plant and equipment	(197.8)	(255.0)
Investments in unconsolidated investees	(78.2)	(24.2)
Provision for unremitted earnings	(21.2)	(229.3)
Derivative instruments	(19.8)	(0.9)
Total deferred tax liabilities	(816.8)	(1,230.0)
Deferred tax liabilities, net	$ (718.3)	$ (1,132.4)

In assessing the realizability of deferred tax assets, we consider whether it is more likely than not that some or all of the deferred tax assets will not be realized. In making this assessment, we consider the projected reversal of deferred tax liabilities and projected future taxable income. Based upon this assessment, we believe it is more likely than not that we will realize the benefits of these deductible differences, net of any valuation allowances.

As of February 28, 2018, operating loss carryforwards, which are primarily state and foreign, totaling $307.2 million are being carried forward in a number of jurisdictions where we are permitted to use tax operating losses from prior periods to reduce future taxable income. Of these operating loss carryforwards, $216.7 million will expire in fiscal 2019 through fiscal 2038 and $90.5 million of operating losses in certain jurisdictions may be carried forward indefinitely. Additionally, as of February 28, 2018, federal capital losses totaling $269.5 million are being carried forward and will expire in fiscal 2022.

We have recognized valuation allowances for operating loss carryforwards, capital loss carryforwards and other deferred tax assets when we believe it is more likely than not that these items will not be realized. The decrease in our valuation allowances as of February 28, 2018, primarily relates to the reduction in the federal statutory rate from 35% to 21% under the TCJ Act.

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The liability for income taxes associated with uncertain tax positions, excluding interest and penalties, and a reconciliation of the beginning and ending unrecognized tax benefit liabilities is as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Balance as of March 1	$39.5	$ 30.4	$ 85.5
Increases as a result of tax positions taken during a prior period	7.5	—	0.1
Decreases as a result of tax positions taken during a prior period	(0.1)	(11.5)	(1.2)
Increases as a result of tax positions taken during the current period	43.8	21.3	3.7
Decreases related to settlements with tax authorities	(0.4)	—	(54.7)
Decreases related to lapse of applicable statute of limitations	(1.0)	(0.7)	(3.0)
Balance as of last day of February	$89.3	$ 39.5	$ 30.4

As of February 28, 2018, and February 28, 2017, we had $93.7 million and $42.7 million, respectively, of non-current unrecognized tax benefit liabilities, including interest and penalties, recorded on our balance sheets. These liabilities are recorded as non-current as payment of cash is not anticipated within one year of the balance sheet date.

As of February 28, 2018, and February 28, 2017, we had $89.3 million and $39.5 million, respectively, of unrecognized tax benefit liabilities that, if recognized, would decrease the effective tax rate.

We file U.S. Federal income tax returns and various state, local and foreign income tax returns. Major tax jurisdictions where we are subject to examination by tax authorities include Canada, Luxembourg, Mexico, New Zealand and the U.S. Various U.S. Federal, state and foreign income tax examinations are currently in progress. It is reasonably possible that the liability associated with our unrecognized tax benefit liabilities will increase or decrease within the next twelve months as a result of these examinations or the expiration of statutes of limitation. As of February 28, 2018, we estimate that unrecognized tax benefit liabilities could change by a range of $1 million to $79 million. With few exceptions, we are no longer subject to U.S. Federal, state, local or foreign income tax examinations for fiscal years prior to February 28, 2011.

We provide for additional tax expense based on probable outcomes of ongoing tax examinations and assessments in various jurisdictions. While it is often difficult to predict the outcome or the timing of resolution of any tax matter, we believe the reserves reflect the probable outcome of known tax contingencies. Unfavorable settlement of any particular issue would require the use of cash. Favorable resolution would be recognized as a reduction to the effective tax rate in the year of resolution.

During the fourth quarter of fiscal 2018, we successfully concluded the IRS Appeals process related to certain issues under examination for our fiscal years ended February 28, 2010, and February 28, 2011, with no incremental liability. For other items that were effectively settled for the second quarter of fiscal 2016, we reduced our liability for uncertain tax positions and recorded a tax benefit of $31.9 million. In addition, during the year ended February 29, 2016, various U.S. state and international examinations were finalized. In total, tax benefits of $51.0 million were recorded for the year ended February 29, 2016, related to the resolution of certain tax positions in connection with those examinations and the expiration of statutes of limitation.

14. COMMITMENTS AND CONTINGENCIES:

Operating leases –
The minimum lease payments for our operating leases are recognized on a straight-line basis over the minimum lease term. Step rent provisions, escalation clauses, capital improvement funding and other lease concessions, when present

in our leases, are taken into account in computing the minimum lease payments.

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Future payments under noncancelable operating leases having initial or remaining terms of one year or more are as follows for each of the five succeeding fiscal years and thereafter:

(in millions)	
2019	$53.6
2020	53.7
2021	50.3
2022	44.0
2023	41.3
Thereafter	316.3
	$559.2

Rental expense was $59.1 million, $59.2 million and $56.1 million for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, respectively.

Purchase commitments and contingencies –
We have entered into various long-term contracts in the normal course of business for the purchase of (i) certain inventory components, (ii) property, plant and equipment and related contractor and manufacturing services, (iii) processing and warehousing services and (iv) certain energy requirements. As of February 28, 2018, the estimated aggregate minimum purchase obligations under these contracts are as follows:

	Type	Length of Commitment	Amount
(in millions)			
Raw materials and supplies [(1)]	Packaging, grapes and other raw materials	through December 2031	$6,622.1
In-process inventories	Bulk wine and spirits	through February 2022	148.6
Capital expenditures [(2)]	Property, plant and equipment, and contractor and manufacturing services	through February 2022	590.3
Other	Processing and warehousing services, energy contracts	through May 2029	340.7
			$7,701.7

(1) Certain grape purchasing arrangements include the purchase of grape production yielded from specified blocks of a vineyard. The actual tonnage and price of grapes that we purchase will vary each year depending on certain factors, including weather, time of harvest, overall market conditions and the agricultural practices and location of the vineyard. Amounts included herein for the estimated aggregate minimum grape purchase obligations consist of estimates for the purchase of the grapes and the implicit leases of the land.

(2) Consists of purchase commitments entered into primarily in connection with the construction of a brewery located in Mexicali, Baja California, Mexico, and the expansion projects for the Nava Brewery and the adjacent glass production plant.

Additionally, we have entered into various contractual arrangements with affiliates of Owens-Illinois primarily for the purchase of glass bottles used largely in our imported and craft beer portfolios. Amounts purchased under these arrangements for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, were $316.6 million, $292.3 million and $162.5 million, respectively.

Indemnification liabilities –
In connection with a prior divestiture as well as with the Canadian Divestiture, we have indemnified respective parties against certain liabilities that may arise, including those related to certain income tax matters, certain contracts with certain investees of one of the divested businesses and a certain facility in the U.K. As of February 28, 2018, and February 28, 2017, the carrying amount of these indemnification liabilities was $12.8 million and $9.6 million,

respectively, and is included in other liabilities. If the indemnified party were to incur a liability, pursuant to the terms of the indemnification, we would be required to reimburse the indemnified party. As of February 28, 2018, we estimate that these indemnifications could require us to make potential future payments of up to $56.2 million under these indemnifications with $25.6 million of this amount able to be recovered by us from third parties under recourse provisions. We do not expect to be required to make material payments under the

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indemnifications and we believe that the likelihood is remote that the indemnifications could have a material adverse effect on our financial position, results of operations, cash flows or liquidity.

Legal matters –
In the course of our business, we are subject to litigation from time to time. Although the amount of any liability with respect to such litigation cannot be determined, in the opinion of management, such liability will not have a material adverse effect on our financial condition, results of operations or cash flows.

Other –
In the fourth quarter of fiscal 2018, we recorded a loss of $19.1 million in connection with the write-down of certain bulk wine inventory as a result of smoke damage sustained during the Fall 2017 California wildfires. While we will pursue reimbursement from our insurance carriers, there can be no assurance there will be any potential recoveries.

15. STOCKHOLDERS' EQUITY:

Common stock –
We have two classes of common stock with a material number of shares outstanding: Class A Common Stock and Class B Convertible Common Stock. Class B Convertible Common Stock shares are convertible into shares of Class A Common Stock on a one-to-one basis at any time at the option of the holder. Holders of Class B Convertible Common Stock are entitled to ten votes per share. Holders of Class A Common Stock are entitled to one vote per share and a cash dividend premium. If we pay a cash dividend on Class B Convertible Common Stock, each share of Class A Common Stock will receive an amount at least ten percent greater than the amount of the cash dividend per share paid on Class B Convertible Common Stock. In addition, the Board of Directors may declare and pay a dividend on Class A Common Stock without paying any dividend on Class B Convertible Common Stock. However, our senior credit facility limits the cash dividends that we can pay on our common stock to a fixed amount per quarter but the fixed amount may be exceeded subject to various conditions set forth in the senior credit facility.

In addition, we have a class of common stock with an immaterial number of shares outstanding: Class 1 Common Stock. Shares of Class 1 Common Stock generally have no voting rights. Class 1 Common Stock shares are convertible into shares of Class A Common Stock on a one-to-one basis at any time at the option of the holder, provided that the holder immediately sells the Class A Common Stock acquired upon conversion. Because shares of Class 1 Common Stock are convertible into shares of Class A Common Stock, for each share of Class 1 Common Stock issued, we must reserve one share of Class A Common Stock for issuance upon the conversion of the share of Class 1 Common Stock. Holders of Class 1 Common Stock do not have any preference as to dividends, but may participate in any dividend if and when declared by the Board of Directors. If we pay a cash dividend on Class 1 Common Stock, each share of Class A Common Stock will receive an amount at least ten percent greater than the amount of cash dividend per share paid on Class 1 Common Stock. In addition, the Board of Directors may declare and pay a dividend on Class A Common Stock without paying a dividend on Class 1 Common Stock. The cash dividends declared and paid on Class B Convertible Common Stock and Class 1 Common Stock must always be the same.

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The number of shares of common stock issued and treasury stock, and associated share activity, are as follows:

	Common Stock			Treasury Stock	
	Class A	Class B	Class 1	Class A	Class B
Balance at February 28, 2015	250,839,359	28,389,608	—	79,681,859	5,005,800
Share repurchases	—	—	—	246,143	—
Conversion of shares	31,079	(31,079)	—	—	—
Exercise of stock options	4,687,588	—	2,000	—	—
Employee stock purchases	—	—	—	(89,155)	—
Grant of restricted stock awards	—	—	—	(4,984)	—
Vesting of restricted stock units (1)	—	—	—	(157,052)	—
Vesting of performance share units (2)	—	—	—	(223,044)	—
Cancellation of restricted shares	—	—	—	244	—
Balance at February 29, 2016	255,558,026	28,358,529	2,000	79,454,011	5,005,800
Share repurchases	—	—	—	7,407,051	—
Conversion of shares	2	(2)	—	—	—
Exercise of stock options	1,948,156	—	80	—	—
Employee stock purchases	—	—	—	(77,671)	—
Grant of restricted stock awards	—	—	—	(4,088)	—
Vesting of restricted stock units (1)	—	—	—	(325,773)	—
Vesting of performance share units (2)	—	—	—	(190,559)	—
Balance at February 28, 2017	257,506,184	28,358,527	2,080	86,262,971	5,005,800
Share repurchases	—	—	—	4,810,061	—
Conversion of shares	29,640	(23,140)	(6,500)	—	—
Exercise of stock options	1,182,532	—	6,390	—	—
Employee stock purchases	—	—	—	(75,023)	—
Grant of restricted stock awards	—	—	—	(3,848)	—
Vesting of restricted stock units (1)	—	—	—	(181,994)	—
Vesting of performance share units (2)	—	—	—	(68,928)	—
Balance at February 28, 2018	258,718,356	28,335,387	1,970	90,743,239	5,005,800

(1) Net of 117,188 shares, 241,870 shares and 112,851 shares withheld for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, respectively, to satisfy tax withholding requirements.

(2) Net of 55,584 shares, 168,811 shares and 216,396 shares withheld for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, respectively, to satisfy tax withholding requirements.

Stock repurchases –
In April 2012, our Board of Directors authorized the repurchase of up to $1.0 billion of our Class A Common Stock and Class B Convertible Common Stock (the “2013 Authorization”), which was fully utilized during the year ended February 28, 2017. Shares repurchased under the 2013 Authorization have become treasury shares.

In November 2016, our Board of Directors authorized the repurchase of up to $1.0 billion of our Class A Common Stock and Class B Convertible Common Stock (the “2017 Authorization”), which was fully utilized during the year ended February 28, 2018. Shares repurchased under the 2017 Authorization have become treasury shares.

In January 2018, our Board of Directors authorized the repurchase of up to $3.0 billion of our Class A Common Stock and Class B Convertible Common Stock (the “2018 Authorization”). The Board of Directors did not specify a date upon which this authorization would expire. Shares repurchased under the 2018 Authorization have become treasury shares.

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For the year ended February 28, 2018, we repurchased 2,530,194 shares of Class A Common Stock pursuant to the 2017 Authorization at an aggregate cost of $546.9 million and 2,279,867 shares of Class A Common Stock pursuant to the 2018 Authorization at an aggregate cost of $491.6 million through a combination of open market transactions and an accelerated share repurchase agreement with a third-party financial institution. Subsequent to February 28, 2018, we repurchased 93,287 shares of Class A Common Stock pursuant to the 2018 Authorization at an aggregate cost of $21.2 million through open market transactions.

As of April 23, 2018, total shares repurchased under these authorizations are as follows:

	Repurchase Authorization	Class A Common Shares Dollar Value of Shares Repurchased	Number of Shares Repurchased
(in millions, except share data)			
2013 Authorization	$ 1,000.0	$1,000.0	18,670,632
2017 Authorization	$ 1,000.0	$1,000.0	5,536,741
2018 Authorization	$ 3,000.0	$512.8	2,373,154

Common stock dividends –
In March 2018, our Board of Directors declared a quarterly cash dividend of $0.74 per share of Class A Common Stock, $0.67 per share of Class B Convertible Common Stock and $0.67 per share of Class 1 Common Stock payable in the first quarter of fiscal 2019.

16. STOCK-BASED EMPLOYEE COMPENSATION:

We have two stock-based employee compensation plans (as further discussed below). Total compensation cost recognized for our stock-based awards and income tax benefits related thereto are as follows:

	For the Years Ended February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Total compensation cost recognized in our results of operations	$60.9	$ 56.1	$ 54.0
Income tax benefit related thereto recognized in our results of operations	$13.5	$ 18.5	$ 17.8

Long-term stock incentive plan –
Under our Long-Term Stock Incentive Plan, nonqualified stock options, restricted stock, restricted stock units, performance share units and other stock-based awards may be granted to our employees, officers and directors. The aggregate number of shares of our Class A Common Stock and Class 1 Common Stock available for awards under our Long-Term Stock Incentive Plan is 108,000,000 shares.

The exercise price, vesting period and term of nonqualified stock options granted are established by the committee administering the plan (the “Committee”). The exercise price of any nonqualified stock option may not be less than the fair market value of our Class A Common Stock on the date of grant. Nonqualified stock options generally vest and become exercisable over a four-year period from the date of grant and expire as established by the Committee, but not later than ten years after the grant date.

Grants of restricted stock, restricted stock units, performance share units and other stock-based awards may contain such vesting periods, terms, conditions and other requirements as the Committee may establish. Restricted stock and restricted stock unit awards are based on service and generally vest over one to four years from the date of grant. Performance share unit awards are based on service and the satisfaction of certain performance conditions, and vest over a required employee service period, generally from one to three years from the date of grant, which closely matches the performance period. The performance conditions include the achievement of specified financial or operational performance metrics, or market conditions which require the achievement of specified levels of shareholder return relative to other companies as defined in the applicable performance share unit agreement. The

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actual number of shares to be awarded upon vesting of a performance share unit award will range between 0% and 200% of the target award, based upon the measure of performance as certified by the Committee.

A summary of stock option activity under our Long-Term Stock Incentive Plan is as follows:

	For the Years Ended					
	February 28, 2018		February 28, 2017		February 29, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding as of March 1	8,070,255	$ 44.31	9,541,393	$ 34.03	13,613,615	$ 25.46
Granted	624,121	$ 172.70	648,147	$ 157.01	838,996	$ 117.17
Exercised	(1,188,922)	$ 31.86	(1,948,236)	$ 25.79	(4,689,588)	$ 22.25
Forfeited	(59,725)	$ 136.08	(170,711)	$ 109.23	(220,433)	$ 71.75
Expired	(1,028)	$ 36.13	(338)	$ 31.92	(1,197)	$ 21.02
Outstanding as of last day of February	7,444,701	$ 56.33	8,070,255	$ 44.31	9,541,393	$ 34.03
Exercisable	5,983,286	$ 34.12	6,456,382	$ 26.66	7,348,309	$ 21.37

As of February 28, 2018, the aggregate intrinsic value of our options outstanding and exercisable was $1,184.8 million and $1,085.1 million, respectively. In addition, the weighted average remaining contractual life for our options outstanding and exercisable was 4.3 years and 3.3 years, respectively.

The fair value of stock options vested, and the intrinsic value of and tax benefit realized from the exercise of stock options, are as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Fair value of stock options vested	$ 20.3	$ 20.3	$ 20.1
Intrinsic value of stock options exercised	$ 189.9	$ 260.4	$ 514.9
Tax benefit realized from stock options exercised	$ 59.8	$ 106.0	$ 193.5

The weighted average grant-date fair value of stock options granted and the weighted average assumptions used to estimate the fair value on the date of grant using the Black-Scholes option-pricing model are as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
Grant-date fair value	$ 42.88	$ 40.09	$ 31.14
Expected life [1]	5.9 years	5.9 years	5.9 years
Expected volatility [2]	26.0 %	27.1 %	28.5 %
Risk-free interest rate [3]	2.0 %	1.6 %	1.6 %
Expected dividend yield [4]	1.2 %	1.0 %	1.1 %

(1) Based on historical experience of employees' exercise behavior for similar type awards.

(2) Based primarily on historical volatility levels of our Class A Common Stock.

(3) Based on the implied yield currently available on U.S. Treasury zero coupon issues with a remaining term equal to the expected life.

(4) Based on the calculated yield on our Class A Common Stock at date of grant using the current fiscal year projected annualized dividend distribution rate.

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A summary of restricted Class A Common Stock activity under our Long-Term Stock Incentive Plan is as follows:

	For the Years Ended					
	February 28, 2018		February 28, 2017		February 29, 2016	
	Number	Weighted Average Grant-Date Fair Value	Number	Weighted Average Grant-Date Fair Value	Number	Weighted Average Grant-Date Fair Value
Restricted Stock Awards						
Outstanding balance as of March 1, Nonvested	4,088	$ 166.34	4,984	$ 119.37	117,054	$ 25.15
Granted	3,848	$ 197.18	4,088	$ 166.34	4,984	$ 119.37
Vested	(4,088)	$ 166.34	(4,984)	$ 119.37	(116,810)	$ 25.16
Forfeited	—	$ —	—	$ —	(244)	$ 20.60
Outstanding balance as of last day of February, Nonvested	3,848	$ 197.18	4,088	$ 166.34	4,984	$ 119.37
Restricted Stock Units						
Outstanding balance as of March 1, Nonvested	455,699	$ 117.44	917,009	$ 70.23	1,063,726	$ 51.16
Granted	157,200	$ 178.11	174,187	$ 156.74	230,742	$ 122.60
Vested	(299,182)	$ 109.09	(567,643)	$ 54.29	(269,903)	$ 44.48
Forfeited	(27,059)	$ 140.00	(67,854)	$ 108.56	(107,556)	$ 58.65
Outstanding balance as of last day of February, Nonvested	286,658	$ 157.29	455,699	$ 117.44	917,009	$ 70.23
Performance Share Units						
Outstanding balance as of March 1, Nonvested	250,333	$ 141.91	501,261	$ 92.41	617,684	$ 58.21
Granted	55,464	$ 236.79	75,765	$ 190.33	155,671	$ 146.25
Performance achievement [1]	55,081	$ 99.85	105,330	$ 66.50	219,720	$ 38.47
Vested	(124,512)	$ 100.73	(359,370)	$ 60.50	(439,440)	$ 38.47
Forfeited	(8,646)	$ 144.57	(72,653)	$ 144.26	(52,374)	$ 75.42
Outstanding balance as of last day of February, Nonvested	227,720	$ 177.90	250,333	$ 141.91	501,261	$ 92.41

(1) Reflects the number of awards achieved above target levels, net of the number of awards achieved below target levels, based on actual performance measured at the end of the performance period.

The fair value of shares vested for our restricted Class A Common Stock awards is as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Restricted stock awards	$0.8	$ 0.8	$ 13.7
Restricted stock units	$56.5	$ 89.4	$ 31.7
Performance share units	$21.4	$ 57.2	$ 51.5

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The weighted average grant-date fair value of performance share units granted with a market condition and the weighted average assumptions used to estimate the fair value on the date of grant using the Monte Carlo Simulation model are as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
Grant-date fair value	$ 250.30	$ 204.53	$ 153.64
Grant-date price	$ 172.09	$ 157.33	$ 117.08
Performance period	2.9 years	2.8 years	3.0 years
Expected volatility (1)	21.5 %	20.6 %	33.5 %
Risk-free interest rate (2)	1.4 %	1.0 %	0.9 %
Expected dividend yield (3)	0.0 %	0.0 %	0.0 %

(1) Based primarily on historical volatility levels of our Class A Common Stock.

(2) Based on the implied yield currently available on U.S. Treasury zero coupon issues with a remaining term equal to the performance period.

(3) No expected dividend yield as units granted earn dividend equivalents.

Employee stock purchase plan –

We have a stock purchase plan (the “Employee Stock Purchase Plan”) under which 9,000,000 shares of Class A Common Stock may be issued. Under the terms of the plan, eligible employees may purchase shares of our Class A Common Stock through payroll deductions. The purchase price is the lower of 85% of the fair market value of the stock on the first or last day of the purchase period. For the years ended February 28, 2018, February 28, 2017, and February 29, 2016, employees purchased 75,023 shares, 77,671 shares and 89,155 shares, respectively, under this plan.

Other –

As of February 28, 2018, there was $72.5 million of total unrecognized compensation cost related to nonvested stock-based compensation arrangements granted under our stock-based employee compensation plans. This cost is expected to be recognized in our results of operations over a weighted-average period of 2.1 years. With respect to the issuance of shares under any of our stock-based compensation plans, we have the option to issue authorized but unissued shares or treasury shares.

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17. NET INCOME PER COMMON SHARE ATTRIBUTABLE TO CBI:

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

	For the Years Ended					
	February 28, 2018		February 28, 2017		February 29, 2016	
	Common Stock		Common Stock		Common Stock	
	Class A	Class B	Class A	Class B	Class A	Class B
(in millions, except per share data)						
Net income attributable to CBI allocated – basic	$2,063.7	$255.2	$1,370.1	$165.0	$940.0	$114.9
Conversion of Class B common shares into Class A common shares	255.2	—	165.0	—	114.9	—
Effect of stock-based awards on allocated net income	—	(6.3)	—	(3.1)	—	(3.1)
Net income attributable to CBI allocated – diluted	$2,318.9	$248.9	$1,535.1	$161.9	$1,054.9	$111.8
Weighted average common shares outstanding – basic	171.457	23.336	175.934	23.353	173.383	23.363
Conversion of Class B common shares into Class A common shares	23.336	—	23.353	—	23.363	—
Stock-based awards, primarily stock options	5.952	—	4.812	—	7.075	—
Weighted average common shares outstanding – diluted	200.745	23.336	204.099	23.353	203.821	23.363
Net income per common share attributable to CBI – basic	$12.04	$10.93	$7.79	$7.07	$5.42	$4.92
Net income per common share attributable to CBI – diluted	$11.55	$10.66	$7.52	$6.93	$5.18	$4.79

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18. ACCUMULATED OTHER COMPREHENSIVE LOSS:

Other comprehensive income (loss) attributable to CBI includes the following components:

(in millions)	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
For the Year Ended February 29, 2016			
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net losses	$(310.7)	$ 6.3	$(304.4)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive loss	(310.7)	6.3	(304.4)
Unrealized loss on cash flow hedges:			
Net derivative losses	(59.8)	16.5	(43.3)
Reclassification adjustments	37.3	(11.0)	26.3
Net loss recognized in other comprehensive loss	(22.5)	5.5	(17.0)
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	(0.4)	—	(0.4)
Reclassification adjustments	0.1	—	0.1
Net loss recognized in other comprehensive loss	(0.3)	—	(0.3)
Pension/postretirement adjustments:			
Net actuarial losses	(0.1)	—	(0.1)
Reclassification adjustments	0.5	(0.3)	0.2
Net gain recognized in other comprehensive loss	0.4	(0.3)	0.1
Other comprehensive loss attributable to CBI	$(333.1)	$ 11.5	$(321.6)
For the Year Ended February 28, 2017			
Other comprehensive income attributable to CBI:			
Foreign currency translation adjustments:			
Net losses	$(78.3)	$ (0.7)	$(79.0)
Reclassification adjustments	111.5	—	111.5
Net gain recognized in other comprehensive income	33.2	(0.7)	32.5
Unrealized loss on cash flow hedges:			
Net derivative losses	(34.7)	11.7	(23.0)
Reclassification adjustments	45.2	(14.1)	31.1
Net gain recognized in other comprehensive income	10.5	(2.4)	8.1
Unrealized gain on AFS debt securities:			
Net AFS debt securities gains	0.4	0.1	0.5
Reclassification adjustments	—	—	—
Net gain recognized in other comprehensive income	0.4	0.1	0.5
Pension/postretirement adjustments:			
Net actuarial gains	0.3	(0.1)	0.2
Reclassification adjustments	11.5	(0.1)	11.4
Net gain recognized in other comprehensive income	11.8	(0.2)	11.6
Other comprehensive income attributable to CBI	$55.9	$ (3.2)	$52.7

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(in millions)	Before Tax Amount	Tax (Expense) Benefit	Net of Tax Amount
For the Year Ended February 28, 2018			
Other comprehensive income (loss) attributable to CBI:			
Foreign currency translation adjustments:			
Net gains	$147.3	$ (1.6)	$145.7
Reclassification adjustments	—	—	—
Net gain recognized in other comprehensive income	147.3	(1.6)	145.7
Unrealized gain on cash flow hedges:			
Net derivative gains	78.9	(22.0)	56.9
Reclassification adjustments	(5.1)	0.7	(4.4)
Net gain recognized in other comprehensive income	73.8	(21.3)	52.5
Unrealized loss on AFS debt securities:			
Net AFS debt securities losses	—	(0.2)	(0.2)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive income	—	(0.2)	(0.2)
Pension/postretirement adjustments:			
Net actuarial losses	(1.7)	0.6	(1.1)
Reclassification adjustments	—	—	—
Net loss recognized in other comprehensive income	(1.7)	0.6	(1.1)
Other comprehensive income attributable to CBI	$219.4	$ (22.5)	$196.9

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

(in millions)	Foreign Currency Translation Adjustments	Net Unrealized Gains (Losses) on Derivative Instruments	Net Unrealized Losses on AFS Debt Securities	Pension/ Postretirement Adjustments	Accumulated Other Comprehensive Loss
Balance, February 28, 2017	$ (358.0)	$ (38.0)	$ (2.3)	$ (1.5)	$ (399.8)
Other comprehensive income (loss):					
Other comprehensive income (loss) before reclassification adjustments	145.7	56.9	(0.2)	(1.1)	201.3
Amounts reclassified from accumulated other comprehensive loss	—	(4.4)	—	—	(4.4)
Other comprehensive income (loss)	145.7	52.5	(0.2)	(1.1)	196.9
Balance, February 28, 2018	$ (212.3)	$ 14.5	$ (2.5)	$ (2.6)	$ (202.9)

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19. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK:

Net sales to our five largest customers represented 32.5%, 32.6% and 31.7% of our net sales for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, respectively. Net sales to our five largest customers are expected to continue to represent a significant portion of our revenues. Net sales to an individual customer which amount to 10% or more of our net sales, and the associated amounts receivable from this customer as a percentage of our accounts receivable, are as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
Southern Glazer's Wine and Spirits			
Net sales	13.0%	14.1%	13.4%
Accounts receivable	28.1%	32.1%	32.0%

Net sales for the above customer are primarily reported within the Wine and Spirits segment. Our arrangements with certain of our customers may, generally, be terminated by either party with prior notice. The majority of our accounts receivable balance is generated from sales to independent distributors with whom we have a predetermined collection date arranged through electronic funds transfer. We perform ongoing credit evaluations of our customers' financial position, and management is of the opinion that any risk of significant loss is reduced due to the diversity of our customers and geographic sales area.

20. CONDENSED CONSOLIDATING FINANCIAL INFORMATION:

The following information sets forth the condensed consolidating balance sheets as of February 28, 2018, and February 28, 2017, the condensed consolidating statements of comprehensive income for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, and the condensed consolidating statements of cash flows for the years ended February 28, 2018, February 28, 2017, and February 29, 2016, 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 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 the Summary of Significant Accounting Policies in Note 1. 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.

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Balance Sheet at February 28, 2018					
Current assets:					
Cash and cash equivalents	$4.6	$4.4	$ 81.3	$—	$ 90.3
Accounts receivable	2.0	12.6	761.6	—	776.2
Inventories	184.3	1,537.5	546.6	(184.4)	2,084.0
Intercompany receivable	27,680.0	37,937.5	18,940.8	(84,558.3)	—
Prepaid expenses and other	138.4	77.7	311.0	(3.6)	523.5
Total current assets	28,009.3	39,569.7	20,641.3	(84,746.3)	3,474.0
Property, plant and equipment	76.2	775.7	3,937.8	—	4,789.7
Investments in subsidiaries	20,956.5	442.0	5,884.7	(27,283.2)	—
Goodwill	—	6,185.5	1,897.6	—	8,083.1
Intangible assets	—	718.2	2,586.6	—	3,304.8
Intercompany notes receivable	6,236.4	2,435.4	—	(8,671.8)	—
Other assets	15.7	4.7	866.7	—	887.1
Total assets	$55,294.1	$50,131.2	$ 35,814.7	$(120,701.3)	$ 20,538.7
Current liabilities:					
Short-term borrowings	$266.9	$—	$ 479.9	$—	$ 746.8
Current maturities of long-term debt	7.1	15.0	0.2	—	22.3
Accounts payable	63.4	128.3	400.5	—	592.2
Intercompany payable	37,408.2	30,029.7	17,120.4	(84,558.3)	—
Other accrued expenses and liabilities	271.7	188.9	150.5	(27.7)	583.4
Total current liabilities	38,017.3	30,361.9	18,151.5	(84,586.0)	1,944.7
Long-term debt, less current maturities	9,166.9	9.1	241.6	—	9,417.6
Deferred income taxes	3.9	473.0	241.4	—	718.3
Intercompany notes payable	—	5,029.2	3,642.6	(8,671.8)	—
Other liabilities	59.9	23.1	312.4	—	395.4
Total liabilities	47,248.0	35,896.3	22,589.5	(93,257.8)	12,476.0
Total CBI stockholders' equity	8,046.1	14,234.9	13,208.6	(27,443.5)	8,046.1
Noncontrolling interests	—	—	16.6	—	16.6
Total stockholders' equity	8,046.1	14,234.9	13,225.2	(27,443.5)	8,062.7
Total liabilities and stockholders' equity	$55,294.1	$50,131.2	$ 35,814.7	$(120,701.3)	$ 20,538.7

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Balance Sheet at February 28, 2017					
Current assets:					
Cash and cash equivalents	$9.6	$5.3	$ 162.5	$—	$ 177.4
Accounts receivable	2.4	18.1	716.5	—	737.0
Inventories	162.3	1,456.6	502.8	(166.6)	1,955.1
Intercompany receivable	21,894.2	30,298.2	14,985.4	(67,177.8)	—
Prepaid expenses and other	40.4	69.1	235.2	15.8	360.5
Total current assets	22,108.9	31,847.3	16,602.4	(67,328.6)	3,230.0
Property, plant and equipment	69.5	680.1	3,183.2	—	3,932.8
Investments in subsidiaries	16,965.2	267.2	5,370.3	(22,602.7)	—
Goodwill	—	6,185.5	1,735.0	—	7,920.5
Intangible assets	—	810.2	2,567.5	—	3,377.7
Intercompany notes receivable	5,074.5	2,155.5	—	(7,230.0)	—
Other assets	17.9	4.5	119.0	—	141.4
Total assets	$44,236.0	$41,950.3	$ 29,577.4	$(97,161.3)	$ 18,602.4
Current liabilities:					
Short-term borrowings	$231.0	$—	$ 375.5	$—	$ 606.5
Current maturities of long-term debt	767.9	16.2	126.8	—	910.9
Accounts payable	47.6	57.5	454.7	—	559.8
Intercompany payable	30,722.8	23,203.3	13,251.7	(67,177.8)	—
Other accrued expenses and liabilities	270.2	203.5	175.6	(28.9)	620.4
Total current liabilities	32,039.5	23,480.5	14,384.3	(67,206.7)	2,697.6
Long-term debt, less current maturities	5,260.2	11.8	2,448.7	—	7,720.7
Deferred income taxes	13.3	698.0	422.3	—	1,133.6
Intercompany notes payable	—	4,639.4	2,590.6	(7,230.0)	—
Other liabilities	31.8	8.9	125.0	—	165.7
Total liabilities	37,344.8	28,838.6	19,970.9	(74,436.7)	11,717.6
Total CBI stockholders' equity	6,891.2	13,111.7	9,612.9	(22,724.6)	6,891.2
Noncontrolling interests	—	—	(6.4)	—	(6.4)
Total stockholders' equity	6,891.2	13,111.7	9,606.5	(22,724.6)	6,884.8
Total liabilities and stockholders' equity	$44,236.0	$41,950.3	$ 29,577.4	$(97,161.3)	$ 18,602.4

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Comprehensive Income for the Year Ended February 28, 2018					
Sales	$2,960.1	$6,820.9	$ 3,499.6	$ (4,953.8)	$ 8,326.8
Excise taxes	(353.5)	(375.6)	(12.7)	—	(741.8)
Net sales	2,606.6	6,445.3	3,486.9	(4,953.8)	7,585.0
Cost of product sold	(2,080.3)	(4,809.5)	(1,795.7)	4,917.7	(3,767.8)
Gross profit	526.3	1,635.8	1,691.2	(36.1)	3,817.2
Selling, general and administrative expenses	(468.8)	(820.0)	(259.9)	16.0	(1,532.7)
Operating income	57.5	815.8	1,431.3	(20.1)	2,284.5
Equity in earnings (losses) of equity method investees and subsidiaries	2,515.3	(13.9)	548.0	(3,014.8)	34.6
Unrealized gain on equity securities and related activities	—	—	452.6	—	452.6
Interest income	0.4	—	1.9	—	2.3
Intercompany interest income	240.9	491.1	4.2	(736.2)	—
Interest expense	(279.1)	(1.1)	(54.1)	—	(334.3)
Intercompany interest expense	(395.3)	(195.6)	(145.3)	736.2	—
Loss on extinguishment of debt	(81.8)	—	(15.2)	—	(97.0)
Income before income taxes	2,057.9	1,096.3	2,223.4	(3,034.9)	2,342.7
(Provision for) benefit from income taxes	261.0	(72.1)	(180.9)	(19.9)	(11.9)
Net income	2,318.9	1,024.2	2,042.5	(3,054.8)	2,330.8
Net income attributable to noncontrolling interests	—	—	(11.9)	—	(11.9)
Net income attributable to CBI	$2,318.9	$1,024.2	$ 2,030.6	$ (3,054.8)	$ 2,318.9
Comprehensive income attributable to CBI	$2,515.8	$1,024.6	$ 2,232.6	$ (3,257.2)	$ 2,515.8

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Comprehensive Income for the Year Ended February 28, 2017					
Sales	$2,832.6	$6,254.4	$ 3,535.1	$(4,560.5)	$ 8,061.6
Excise taxes	(351.9)	(320.8)	(57.4)	—	(730.1)
Net sales	2,480.7	5,933.6	3,477.7	(4,560.5)	7,331.5
Cost of product sold	(1,974.5)	(4,373.8)	(1,949.9)	4,496.1	(3,802.1)
Gross profit	506.2	1,559.8	1,527.8	(64.4)	3,529.4
Selling, general and administrative expenses	(417.2)	(707.5)	(290.5)	22.8	(1,392.4)
Gain on sale of business	(23.4)	(4.3)	290.1	—	262.4
Operating income	65.6	848.0	1,527.4	(41.6)	2,399.4
Equity in earnings (losses) of equity method investees and subsidiaries	1,657.4	(31.1)	411.7	(2,010.7)	27.3
Interest income	0.4	—	1.4	—	1.8
Intercompany interest income	227.1	402.7	3.6	(633.4)	—
Interest expense	(280.0)	(1.5)	(53.6)	—	(335.1)
Intercompany interest expense	(311.1)	(197.4)	(124.9)	633.4	—
Income before income taxes	1,359.4	1,020.7	1,765.6	(2,052.3)	2,093.4
(Provision for) benefit from income taxes	175.7	(385.8)	(347.6)	3.5	(554.2)
Net income	1,535.1	634.9	1,418.0	(2,048.8)	1,539.2
Net income attributable to noncontrolling interests	—	—	(4.1)	—	(4.1)
Net income attributable to CBI	$1,535.1	$634.9	$ 1,413.9	$(2,048.8)	$ 1,535.1
Comprehensive income attributable to CBI	$1,587.8	$634.8	$ 1,436.3	$(2,071.1)	$ 1,587.8

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	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
(in millions)					
Condensed Consolidating Statement of Comprehensive Income for the Year Ended February 29, 2016					
Sales	$2,522.8	$5,491.3	$ 3,138.7	$(3,929.0)	$ 7,223.8
Excise taxes	(332.6)	(280.9)	(61.9)	—	(675.4)
Net sales	2,190.2	5,210.4	3,076.8	(3,929.0)	6,548.4
Cost of product sold	(1,759.6)	(3,835.4)	(1,894.6)	3,883.5	(3,606.1)
Gross profit	430.6	1,375.0	1,182.2	(45.5)	2,942.3
Selling, general and administrative expenses	(378.4)	(595.1)	(224.5)	20.8	(1,177.2)
Operating income	52.2	779.9	957.7	(24.7)	1,765.1
Equity in earnings (losses) of equity method investees and subsidiaries	1,224.2	(30.5)	373.0	(1,540.1)	26.6
Dividend income	—	—	24.5	—	24.5
Interest income	0.2	—	0.6	—	0.8
Intercompany interest income	191.4	354.3	3.4	(549.1)	—
Interest expense	(290.1)	(1.2)	(23.4)	—	(314.7)
Intercompany interest expense	(267.4)	(173.7)	(108.0)	549.1	—
Loss on extinguishment of debt	(0.4)	—	(0.7)	—	(1.1)
Income before income taxes	910.1	928.8	1,227.1	(1,564.8)	1,501.2
(Provision for) benefit from income taxes	144.8	(351.4)	(242.3)	8.3	(440.6)
Net income	1,054.9	577.4	984.8	(1,556.5)	1,060.6
Net income attributable to noncontrolling interests	—	—	(5.7)	—	(5.7)
Net income attributable to CBI	$1,054.9	$577.4	$ 979.1	$(1,556.5)	$ 1,054.9
Comprehensive income attributable to CBI	$733.3	$575.7	$ 651.8	$(1,227.5)	$ 733.3

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Year Ended February 28, 2018					
Net cash provided by (used in) operating activities	$ (374.5)	$ 1,288.2	$ 1,017.7	$ —	$ 1,931.4
Cash flows from investing activities:					
Purchases of property, plant and equipment	(21.3)	(128.3)	(908.0)	—	(1,057.6)
Investment in equity securities	—	—	(191.3)	—	(191.3)
Purchases of businesses, net of cash acquired	—	(70.9)	(79.2)	—	(150.1)
Payments related to sale of business	—	—	(5.0)	—	(5.0)
Net proceeds from intercompany notes	265.8	—	3.8	(269.6)	—
Net investment in equity affiliates	(1,355.0)	—	—	1,355.0	—
Other investing activities	(6.1)	(0.1)	(12.9)	—	(19.1)
Net cash used in investing activities	(1,116.6)	(199.3)	(1,192.6)	1,085.4	(1,423.1)
Cash flows from financing activities:					
Dividends paid to parent company	—	—	(70.0)	70.0	—
Net contributions from equity affiliates	—	0.9	1,424.1	(1,425.0)	—
Net proceeds from (repayments of) intercompany notes	(211.0)	(1,041.1)	982.5	269.6	—
Principal payments of long-term debt	(2,717.8)	(19.1)	(4,391.8)	—	(7,128.7)
Purchases of treasury stock	(1,038.5)	—	—	—	(1,038.5)
Dividends paid	(400.1)	—	—	—	(400.1)
Payments of debt extinguishment, debt issuance and other financing costs	(115.6)	—	(6.6)	—	(122.2)
Payments of minimum tax withholdings on stock-based payment awards	—	(30.5)	(1.2)	—	(31.7)
Proceeds from issuance of long-term debt	5,886.4	—	2,047.0	—	7,933.4
Net proceeds from short-term borrowings	33.3	—	103.9	—	137.2
Proceeds from shares issued under equity compensation plans	49.4	—	—	—	49.4
Net cash provided by (used in) financing activities	1,486.1	(1,089.8)	87.9	(1,085.4)	(601.2)
Effect of exchange rate changes on cash and cash equivalents	—	—	5.8	—	5.8
Net decrease in cash and cash equivalents	(5.0)	(0.9)	(81.2)	—	(87.1)
Cash and cash equivalents, beginning of year	9.6	5.3	162.5	—	177.4
Cash and cash equivalents, end of year	$ 4.6	$ 4.4	$ 81.3	$ —	$ 90.3

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Year Ended February 28, 2017					
Net cash provided by operating activities	$ 341.4	$ 1,051.5	$ 958.5	$ (655.4)	$ 1,696.0
Cash flows from investing activities:					
Purchases of property, plant and equipment	(12.8)	(89.8)	(804.8)	—	(907.4)
Purchases of businesses, net of cash acquired	—	—	(1,111.0)	—	(1,111.0)
Proceeds from sale of business	(9.9)	—	585.2	—	575.3
Net proceeds from intercompany notes	422.0	—	—	(422.0)	—
Net returns of capital from equity affiliates	470.7	—	—	(470.7)	—
Other investing activities	0.7	(0.1)	(19.3)	—	(18.7)
Net cash provided by (used in) investing activities	870.7	(89.9)	(1,349.9)	(892.7)	(1,461.8)
Cash flows from financing activities:					
Dividends paid to parent company	—	—	(868.7)	868.7	—
Net returns of capital to equity affiliates	—	(22.0)	(235.4)	257.4	—
Net proceeds from (repayments of) intercompany notes	(20.2)	(855.4)	453.6	422.0	—
Principal payments of long-term debt	(767.6)	(20.6)	(183.6)	—	(971.8)
Purchases of treasury stock	(1,122.7)	—	—	—	(1,122.7)
Dividends paid	(315.1)	—	—	—	(315.1)
Payments of debt extinguishment, debt issuance and other financing costs	(5.0)	—	(9.1)	—	(14.1)
Payments of minimum tax withholdings on stock-based payment awards	—	(61.9)	(3.0)	—	(64.9)
Proceeds from issuance of long-term debt	600.0	—	1,365.6	—	1,965.6
Net proceeds from (repayments of) short-term borrowings	231.0	—	(33.9)	—	197.1
Proceeds from shares issued under equity compensation plans	59.7	—	—	—	59.7
Excess tax benefits from stock-based payment awards	131.4	—	—	—	131.4
Net cash provided by (used in) financing activities	(1,208.5)	(959.9)	485.5	1,548.1	(134.8)
Effect of exchange rate changes on cash and cash equivalents	—	—	(5.1)	—	(5.1)
Net increase in cash and cash equivalents	3.6	1.7	89.0	—	94.3
Cash and cash equivalents, beginning of year	6.0	3.6	73.5	—	83.1
Cash and cash equivalents, end of year	$ 9.6	$ 5.3	$ 162.5	$ —	$ 177.4

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(in millions)	Parent Company	Subsidiary Guarantors	Subsidiary Nonguarantors	Eliminations	Consolidated
Condensed Consolidating Statement of Cash Flows for the Year Ended February 29, 2016					
Net cash provided by (used in) operating activities	$(448.7)	$1,299.5	$ 617.7	$ (54.8)	$ 1,413.7
Cash flows from investing activities:					
Purchases of property, plant and equipment	(14.1)	(52.3)	(824.9)	—	(891.3)
Purchases of businesses, net of cash acquired	(998.5)	(316.2)	(1.7)	—	(1,316.4)
Net proceeds from intercompany notes	842.4	—	—	(842.4)	—
Net investments in equity affiliates	(216.7)	—	—	216.7	—
Other investing activities	3.5	0.2	(3.4)	—	0.3
Net cash used in investing activities	(383.4)	(368.3)	(830.0)	(625.7)	(2,207.4)
Cash flows from financing activities:					
Dividends paid to parent company	—	—	(88.8)	88.8	—
Net contributions from (returns of capital to) equity affiliates	—	(33.0)	283.7	(250.7)	—
Net proceeds from (repayments of) intercompany notes	250.4	(819.8)	(273.0)	842.4	—
Principal payments of long-term debt	(64.5)	(39.4)	(104.8)	—	(208.7)
Purchases of treasury stock	(33.8)	—	—	—	(33.8)
Dividends paid	(241.6)	—	—	—	(241.6)
Payments of debt extinguishment, debt issuance and other financing costs	(13.3)	—	—	—	(13.3)
Payments of minimum tax withholdings on stock-based payment awards	—	(35.9)	(2.7)	—	(38.6)
Proceeds from issuance of long-term debt	600.0	—	10.0	—	610.0
Net proceeds from short-term borrowings	—	—	360.6	—	360.6
Proceeds from shares issued under equity compensation plans	113.0	—	—	—	113.0
Excess tax benefits from stock-based payment awards	203.4	—	—	—	203.4
Proceeds from noncontrolling interests	—	—	25.0	—	25.0
Net cash provided by (used in) financing activities	813.6	(928.1)	210.0	680.5	776.0
Effect of exchange rate changes on cash and cash equivalents	—	—	(9.3)	—	(9.3)
Net increase (decrease) in cash and cash equivalents	(18.5)	3.1	(11.6)	—	(27.0)
Cash and cash equivalents, beginning of year	24.5	0.5	85.1	—	110.1
Cash and cash equivalents, end of year	$6.0	$3.6	$ 73.5	$ —	$ 83.1

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21. BUSINESS SEGMENT INFORMATION:

Our internal management financial reporting consists of two business divisions: (i) Beer and (ii) Wine and Spirits, and we report our operating results in three segments: (i) Beer, (ii) Wine and Spirits, and (iii) Corporate Operations and Other. In the Beer segment, our portfolio consists of high-end imported and craft beer brands. We have an exclusive perpetual brand license to import, market and sell in the U.S. our Mexican beer portfolio. In the Wine and Spirits segment, we sell a large number of wine brands across all categories – table wine, sparkling wine and dessert wine – and across all price points – popular, premium and luxury categories, primarily within the $5 to $25 price range at U.S. retail – complemented by certain premium spirits brands. Amounts included in the Corporate Operations and Other segment consist of costs of executive management, corporate development, corporate finance, human resources, internal audit, investor relations, legal, public relations and information technology. The amounts included in the Corporate Operations and Other segment are general costs that are applicable to the consolidated group and are therefore not allocated to the other reportable segments. All costs reported within the Corporate Operations and Other segment are not included in our chief operating decision maker's evaluation of the operating income performance of the other reportable segments. The business segments reflect how our operations are managed, how resources are allocated, how operating performance is evaluated by senior management and the structure of our internal financial reporting.

In addition, management excludes items that affect comparability ("Comparable Adjustments") from its evaluation of the results of each operating segment as these Comparable Adjustments are not reflective of core operations of the segments. Segment operating performance and segment management compensation are evaluated based upon core segment operating income (loss). As such, the performance measures for incentive compensation purposes for segment management do not include the impact of these Comparable Adjustments.

We evaluate segment operating performance based on operating income (loss) of the respective business units. Comparable Adjustments that impacted comparability in our segment operating income (loss) for each period are as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Cost of product sold			
Loss on inventory write-down	$(19.1)	$ —	$ —
Flow through of inventory step-up	(18.7)	(20.1)	(18.4)
Net gain (loss) on undesignated commodity derivative contracts	7.4	16.3	(48.1)
Settlements of undesignated commodity derivative contracts	2.3	23.4	29.5
Amortization of favorable interim supply agreement	—	(2.2)	(31.7)
Total cost of product sold	(28.1)	17.4	(68.7)
Selling, general and administrative expenses			
Impairment of intangible assets	(86.8)	(37.6)	—
Loss on contract termination [1]	(59.0)	—	—
Restructuring and other strategic business development costs	(14.0)	(0.9)	(16.4)
Transaction, integration and other acquisition-related costs	(8.1)	(14.2)	(15.4)
Costs associated with the Canadian Divestiture and related activities	(3.2)	(20.4)	—
Other gains (losses) [2]	10.5	(2.6)	—
Total selling, general and administrative expenses	(160.6)	(75.7)	(31.8)
Gain on sale of business	—	262.4	—

Comparable Adjustments, Operating income (loss)	$(188.7)	$ 204.1	$ (100.5)

(1) Represents a loss incurred in connection with the early termination of a beer glass supply contract with an affiliate of Owens-Illinois.

(2) Includes a gain of $8.1 million for the year ended February 28, 2018, in connection with the reduction in estimated fair value of a contingent liability associated with a prior period acquisition.

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The accounting policies of the segments are the same as those described for the Company in the Summary of Significant Accounting Policies in Note 1. Segment information is as follows:

	For the Years Ended		
	February 28, 2018	February 28, 2017	February 29, 2016
(in millions)			
Beer			
Net sales	$4,658.5	$4,229.3	$ 3,622.6
Segment operating income	$1,838.3	$1,534.4	$ 1,264.1
Long-lived tangible assets	$3,611.6	$2,810.0	$ 2,187.8
Total assets	$12,325.2	$11,325.3	$ 9,900.7
Capital expenditures	$882.6	$759.2	$ 800.3
Depreciation and amortization	$168.8	$114.9	$ 61.5
Wine and Spirits			
Net sales:			
Wine	$2,559.5	$2,739.3	$ 2,591.4
Spirits	367.0	362.9	334.4
Net sales	$2,926.5	$3,102.2	$ 2,925.8
Segment operating income	$800.7	$800.8	$ 727.0
Income from unconsolidated investments	$34.4	$29.2	$ 26.6
Long-lived tangible assets	$1,080.7	$992.9	$ 1,039.8
Investments in equity method investees	$80.7	$77.6	$ 76.2
Total assets	$7,217.4	$6,976.6	$ 6,770.4
Capital expenditures	$151.1	$100.0	$ 81.7
Depreciation and amortization	$94.0	$99.4	$ 100.2
Corporate Operations and Other			
Segment operating loss	$(165.8)	$(139.9)	$ (125.5)
Income (loss) from unconsolidated investments	$0.2	$(0.2)	$ —
Long-lived tangible assets	$97.4	$129.9	$ 105.8
Investments in equity method investees	$40.8	$21.1	$ 6.0
Total assets	$996.1	$300.5	$ 293.9
Capital expenditures	$23.9	$48.2	$ 9.3
Depreciation and amortization	$36.9	$31.4	$ 27.6
Comparable Adjustments			
Operating income (loss)	$(188.7)	$204.1	$ (100.5)
Income (loss) from unconsolidated investments	$452.6	$(1.7)	$ 24.5
Depreciation and amortization	$—	$2.2	$ 31.7

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(in millions)	For the Years Ended February 28, 2018	February 28, 2017	February 29, 2016
Consolidated			
Net sales	$7,585.0	$ 7,331.5	$ 6,548.4
Operating income	$2,284.5	$ 2,399.4	$ 1,765.1
Income from unconsolidated investments [1]	$487.2	$ 27.3	$ 51.1
Long-lived tangible assets	$4,789.7	$ 3,932.8	$ 3,333.4
Investments in equity method investees	$121.5	$ 98.7	$ 82.2
Total assets	$20,538.7	$ 18,602.4	$ 16,965.0
Capital expenditures	$1,057.6	$ 907.4	$ 891.3
Depreciation and amortization	$299.7	$ 247.9	$ 221.0

[1] Income from unconsolidated investments consists of:

(in millions)	For the Years Ended February 28, 2018	February 28, 2017	February 29, 2016
Equity in earnings from equity method investees	$ 34.6	$ 27.3	$ 26.6
Unrealized gain on equity securities and related activities	452.6	—	—
Dividend income from a retained interest in a previously divested business	—	—	24.5
	$ 487.2	$ 27.3	$ 51.1

Our principal area of operation is in the U.S. Current operations outside the U.S. are in Mexico for the Beer segment and primarily in New Zealand, Italy and Canada for the Wine and Spirits segment. Revenues are attributed to countries based on the location of the customer.

Geographic data is as follows:

(in millions)	For the Years Ended February 28, 2018	February 28, 2017	February 29, 2016
Net sales			
U.S.	$7,330.1	$ 6,807.7	$ 5,960.9
Non-U.S. (primarily Canada)	254.9	523.8	587.5
	$7,585.0	$ 7,331.5	$ 6,548.4

(in millions)	February 28, 2018	February 28, 2017
Long-lived tangible assets		
U.S.	$ 1,124.5	$ 1,037.6
Non-U.S. (primarily Mexico)	3,665.2	2,895.2
	$ 4,789.7	$ 3,932.8

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22. SELECTED QUARTERLY FINANCIAL INFORMATION (UNAUDITED):

A summary of selected quarterly financial information is as follows:

	QUARTER ENDED				
	May 31, 2017	August 31, 2017	November 30, 2017	February 28, 2018	Full Year
(in millions, except per share data)					
Fiscal 2018					
Net sales	$1,935.5	$ 2,084.5	$ 1,799.1	$ 1,765.9	$7,585.0
Gross profit	$995.3	$ 1,065.3	$ 907.5	$ 849.1	$3,817.2
Net income attributable to CBI (1)	$402.8	$ 499.5	$ 491.1	$ 925.5	$2,318.9
Net income per common share attributable to CBI (1) (2):					
Basic – Class A Common Stock	$2.09	$ 2.58	$ 2.54	$ 4.84	$12.04
Basic – Class B Convertible Common Stock	$1.90	$ 2.35	$ 2.31	$ 4.40	$10.93
Diluted – Class A Common Stock	$2.00	$ 2.48	$ 2.44	$ 4.64	$11.55
Diluted – Class B Convertible Common Stock	$1.85	$ 2.29	$ 2.26	$ 4.28	$10.66

	QUARTER ENDED				
	May 31, 2016	August 31, 2016	November 30, 2016	February 28, 2017	Full Year
(in millions, except per share data)					
Fiscal 2017					
Net sales	$1,871.8	$ 2,021.2	$ 1,810.5	$ 1,628.0	$7,331.5
Gross profit	$881.3	$ 969.0	$ 891.4	$ 787.7	$3,529.4
Net income attributable to CBI (3)	$318.3	$ 358.9	$ 405.9	$ 452.0	$1,535.1
Net income per common share attributable to CBI (2) (3):					
Basic – Class A Common Stock	$1.61	$ 1.81	$ 2.04	$ 2.34	$7.79
Basic – Class B Convertible Common Stock	$1.46	$ 1.64	$ 1.85	$ 2.12	$7.07
Diluted – Class A Common Stock	$1.55	$ 1.75	$ 1.98	$ 2.26	$7.52
Diluted – Class B Convertible Common Stock	$1.43	$ 1.61	$ 1.82	$ 2.09	$6.93

(1) Includes (i) an unrealized gain on equity securities and related activities, net of income tax effect, of $138.8 million and $255.4 million for the third and fourth quarters of fiscal 2018, respectively, from the changes in fair value of the Canopy Investment and the Canopy Warrants, net of losses from hedging activities to reduce the associated foreign currency risk, and (ii) a net income tax benefit of $363.0 million for the fourth quarter of fiscal 2018 associated with the December 2017 enactment of the TCJ Act.

(2) The sum of the quarterly net income per common share for Fiscal 2018 and Fiscal 2017 may not equal the total computed for the respective years as the net income per common share is computed independently for each of the quarters presented and for the full year.

(3) Includes gain on sale of business, net of income tax effect, of $196.1 million for the fourth quarter of fiscal 2017 in connection with the Canadian Divestiture.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

Not Applicable.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer have concluded, based on their evaluation as of the end of the period covered by this report, that the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)) are effective to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

(a) See page 52 of this Annual Report on Form 10-K for Management's Annual Report on Internal Control over Financial Reporting, which is incorporated herein by reference.

(b) See page 53 of this Annual Report on Form 10-K for the attestation report of KPMG LLP, our independent registered public accounting firm, which is incorporated herein by reference.

(c) In connection with management's quarterly evaluation of "internal control over financial reporting" (as defined in the Securities Exchange Act of 1934 Rules 13a-15(f) and 15d-15(f)), no changes were identified in our internal control over financial reporting during our fiscal quarter ended February 28, 2018 (our fourth fiscal quarter) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

Not Applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item (except for the information regarding executive officers required by Item 401 of Regulation S-K which is included in Part I hereof in accordance with General Instruction G(3)) is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 17, 2018, under those sections of the Proxy Statement to be titled "Director Nominees," "The Board of Directors and Committees of the Board" and "Section 16(a) Beneficial Ownership Reporting Compliance." That Proxy Statement will be filed within 120 days after the end of our fiscal year.

We have adopted the Chief Executive Officer and Senior Financial Executive Code of Ethics which is a code of ethics that applies to our chief executive officer and our senior financial officers. The Chief Executive Officer and Senior Financial Executive Code of Ethics is located on our Internet website at https://www.cbrands.com/investors. Amendments to, and waivers granted under, our Chief Executive Officer and Senior Financial Executive Code of Ethics, if any, will be posted to our website as well. We will provide to anyone, without charge, upon request, a copy of such Code of Ethics. Such requests should be directed in writing to Investor Relations Department, Constellation Brands, Inc., 207 High Point Drive, Building 100, Victor, New York 14564 or by telephoning our Investor Center at 1-888-922-2150.

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Item 11. Executive Compensation.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 17, 2018, under those sections of the Proxy Statement to be titled “Executive Compensation,” “Compensation Committee Interlocks and Insider Participation” and “Director Compensation.” That Proxy Statement will be filed within 120 days after the end of our fiscal year. Notwithstanding the foregoing, the Compensation Committee Report included within the section of the Proxy Statement to be titled “Executive Compensation” is only being “furnished” hereunder and shall not be deemed “filed” with the Securities and Exchange Commission or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 17, 2018, under that section of the Proxy Statement to be titled “Beneficial Ownership.” That Proxy Statement will be filed within 120 days after the end of our fiscal year. Additional information required by this item is as follows:

Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth information with respect to our compensation plans under which our equity securities may be issued, as of February 28, 2018. The equity compensation plans approved by security holders include our Long-Term Stock Incentive Plan and our 1989 Employee Stock Purchase Plan.

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Equity Compensation Plan Information

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights		(b) Weighted average exercise price of outstanding options, warrants and rights		(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))	
Equity compensation plans approved by security holders	8,135,336	(1)	$ 56.33	(2)	14,048,185	(3)
Equity compensation plans not approved by security holders	—		$ —		—	
Total	8,135,336		$ 56.33		14,048,185	

(1) Includes 403,977 shares of unvested performance share units and 286,658 shares of unvested restricted stock units under our Long-Term Stock Incentive Plan. The unvested performance share units represent the maximum number of shares to be awarded, which ranges from 100% to 200% of the target shares granted. We currently estimate that 88,493 of the target shares granted will be awarded at 200% of target; 85,762 of the target shares granted will be awarded between 100% and 150% of target and 59,205 of the target shares granted will not be awarded based upon our expectations as of February 28, 2018, regarding the achievement of specified performance targets.

(2) Excludes unvested performance share units and unvested restricted stock units under our Long-Term Stock Incentive Plan that can be exercised for no consideration.

(3) Includes 1,499,857 shares of Class A Common Stock under our Employee Stock Purchase Plan remaining available for purchase, of which approximately 35,400 shares are subject to purchase during the current offering period.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 17, 2018, under those sections of the Proxy Statement to be titled “Director Nominees,” “The Board of Directors and Committees of the Board” and “Certain Relationships and Related Transactions.” That Proxy Statement will be filed within 120 days after the end of our fiscal year.

Item 14. Principal Accounting Fees and Services.

The information required by this Item is incorporated herein by reference to the Proxy Statement to be issued in connection with the Annual Meeting of Stockholders of our Company which is expected to be held on July 17, 2018, under that section of the Proxy Statement to be titled “Proposal 2 – Ratification of the Selection of KPMG LLP as Independent Registered Public Accounting Firm.” That Proxy Statement will be filed within 120 days after the end of our fiscal year.

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PART IV

Item 15. Exhibits, Financial Statement Schedules.

1.Financial Statements

The following consolidated financial statements of the Company are submitted herewith:

Management's Annual Report on Internal Control Over Financial Reporting

Report of Independent Registered Public Accounting Firm – KPMG LLP

Report of Independent Registered Public Accounting Firm – KPMG LLP

Consolidated Balance Sheets – February 28, 2018, and February 28, 2017

Consolidated Statements of Comprehensive Income for the years ended February 28, 2018, February 28, 2017, and February 29, 2016

Consolidated Statements of Changes in Stockholders' Equity for the years ended February 28, 2018, February 28, 2017, and February 29, 2016

Consolidated Statements of Cash Flows for the years ended February 28, 2018, February 28, 2017, and February 29, 2016

Notes to Consolidated Financial Statements

2.Financial Statement Schedules

Schedules are not submitted because they are not applicable or not required under Regulation S-X or because the required information is included in the financial statements or notes thereto.

3.Exhibits required to be filed by Item 601 of Regulations S-K

The information called for by this Item is incorporated by reference from the Index to Exhibits included in this Annual Report on Form 10-K.

Item 16. Form 10-K Summary.

None.

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INDEX TO EXHIBITS

Exhibit No.	
3.1	Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2009 and incorporated herein by reference). #
3.2	Certificate of Amendment to the Certificate of Incorporation of the Company (filed as Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2009 and incorporated herein by reference). #
3.3	Amended and Restated By-Laws of the Company, amended as of February 12, 2018 (filed herewith).
4.1	Indenture, dated as of April 17, 2012, by and among the Company, as Issuer, certain subsidiaries, as Guarantors and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated April 17, 2012, filed April 23, 2012 and incorporated herein by reference). #
4.2	Supplemental Indenture No. 1, with respect to 6.0% Senior Notes due May 2022, dated as of April 17, 2012, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (no longer outstanding) (filed as Exhibit 4.1.1 to the Company's Current Report on Form 8-K dated April 17, 2012, filed April 23, 2012 and incorporated herein by reference). #
4.3	Supplemental Indenture No. 3, with respect to 3.75% Senior Notes due May 2021, dated as of May 14, 2013, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 14, 2013, filed May 16, 2013 and incorporated herein by reference). #
4.4	Supplemental Indenture No. 4, with respect to 4.25% Senior Notes due May 2023, dated as of May 14, 2013, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 14, 2013, filed May 16, 2013 and incorporated herein by reference). #
4.5	Supplemental Indenture No. 5, dated as of June 7, 2013, among the Company, Constellation Brands Beach Holdings, Inc., Crown Imports LLC, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.4 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference). #
4.6	Supplemental Indenture No. 6 dated as of May 28, 2014, among the Company, Constellation Marketing Services, Inc., and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.21 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2014 and incorporated herein by reference).
4.7	Supplemental Indenture No. 7, with respect to 3.875% Senior Notes due 2019, dated as of November 3, 2014, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 3, 2014, filed November 7, 2014 and incorporated herein by reference).
4.8	Supplemental Indenture No. 8, with respect to 4.750% Senior Notes due 2024, dated as of November 3, 2014, among the Company as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders

	Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on form 8-K dated November 3, 2014, filed November 7, 2014 and incorporated herein by reference).
4.9	Supplemental Indenture No. 9, with respect to 4.750% Senior Notes due 2025, dated December 4, 2015, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current report on Form 8-K, dated December 4, 2015, filed December 8, 2015 and incorporated herein by reference).
4.10	Supplemental Indenture No. 10, dated as of January 15, 2016, among the Company, Home Brew Mart, Inc., and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.26 to the Company's Annual Report on Form 10-K for the fiscal year ended February 29, 2016 and incorporated by reference).
4.11	Supplemental Indenture No. 11 with respect to 3.700% Senior Notes due 2026, dated as of December 6, 2016, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee, (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated December 6, 2016, filed December 6, 2016 and incorporated herein by reference).
4.12	Supplemental Indenture No. 12 with respect to 2.700% Senior Notes due 2022, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 9, 2017, filed May 9, 2017 and incorporated herein by reference).

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4.13	Supplemental Indenture No. 13 with respect to 3.500% Senior Notes due 2027, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated May 9, 2017, filed May 9, 2017 and incorporated herein by reference).
4.14	Supplemental Indenture No. 14 with respect to 4.500% Senior Notes due 2047, dated as of May 9, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated May 9, 2017, filed May 9, 2017 and incorporated herein by reference).
4.15	Supplemental Indenture No. 15 with respect to 2.000% Senior Notes due 2019, dated as of November 7, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated November 7, 2017, filed November 7, 2017 and incorporated herein by reference).
4.16	Supplemental Indenture No. 16 with respect to 2.250% Senior Notes due 2020 dated as of November 7, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated November 7, 2017, filed November 7, 2017 and incorporated herein by reference).
4.17	Supplemental Indenture No. 17 with respect to 2.650% Senior Notes due 2022, dated as of November 7, 2017, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated November 7, 2017, filed November 7, 2017 and incorporated herein by reference).
4.18	Supplemental Indenture No. 18 with respect to 3.200% Senior Notes due 2023, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated February 7, 2018, filed February 7, 2018 and incorporated herein by reference).
4.19	Supplemental Indenture No. 19 with respect to 3.600% Senior Notes due 2028, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.2 to the Company's Current Report on Form 8-K dated February 7, 2018, filed February 7, 2018 and incorporated herein by reference).
4.20	Supplemental Indenture No. 20 with respect to 4.100% Senior Notes due 2048, dated as of February 7, 2018, among the Company, as Issuer, certain subsidiaries, as Guarantors, and Manufacturers and Traders Trust Company, as Trustee (filed as Exhibit 4.3 to the Company's Current Report on Form 8-K dated February 7, 2018, filed February 7, 2018 and incorporated herein by reference).
4.21	Restatement Agreement dated as of July 14, 2017, by and among the Company, CIH International S.à r.l., CIH Holdings S.à r.l., CB International Finance S.à r.l., Bank of America, N.A., as Administrative Agent, and the Lenders thereto, including the Sixth Amended and Restated Credit Agreement dated as of July 14, 2017, by and among the Company, CIH International S.à r.l., CB International Finance S.à r.l., Bank of America, N.A., as Administrative Agent, and the Lenders party thereto (filed as Exhibit 4.1 to the Company's Current Report on Form 8-K dated July 14, 2017, filed July 19, 2017 and incorporated herein by reference).
10.1	Constellation Brands, Inc. Long-Term Stock Incentive Plan, amended and restated as of July 18, 2017 (filed as Exhibit 10.4 to the Company's Current Report on Form 8-K dated July 18, 2017, filed July 20, 2017 and

	incorporated herein by reference). *
10.2	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company’s Long-Term Stock Incentive Plan (grants on or after July 26, 2007 and before April 1, 2008) (filed as Exhibit 99.4 to the Company’s Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). *#
10.3	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company’s Long-Term Stock Incentive Plan (grants on or after April 1, 2008 and before April 6, 2009) (filed as Exhibit 10.1 to the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2008 and incorporated herein by reference). *#
10.4	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company’s Long-Term Stock Incentive Plan (grants on or after April 6, 2009 and before April 5, 2010) (filed as Exhibit 99.1 to the Company’s Current Report on Form 8-K dated April 6, 2009, filed April 9, 2009 and incorporated herein by reference). *#
10.5	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company’s Long-Term Stock Incentive Plan (grants on or after April 5, 2010 and before April 3, 2012) (filed as Exhibit 99.1 to the Company’s Current Report on Form 8-K, dated April 5, 2010, filed April 9, 2010 and incorporated herein by reference). *#

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10.6	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 3, 2012 and before April 28, 2014) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 3, 2012, filed April 5, 2012 and incorporated herein by reference). *#
10.7	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 28, 2014 and before April 25, 2016) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference). *
10.8	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 25, 2016 and before April 21, 2017) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 25, 2016, filed April 28, 2016 and incorporated herein by reference). *
10.9	Form of Terms and Conditions Memorandum for Employees with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after April 21, 2017) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 21, 2017, filed April 25, 2017 and incorporated herein by reference). *
10.10	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 26, 2013 and before April 28, 2014) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 26, 2013, filed May 1, 2013 and incorporated herein by reference). *#
10.11	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (grants on or after April 28, 2014 and before April 28, 2015) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference). *
10.12	Form of Restricted Stock Unit Agreement with respect to Company's Long-Term Stock Incentive Plan (awards on or after April 28, 2015 and before April 25, 2016) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 28, 2015, filed May 1, 2015 and incorporated herein by reference). *
10.13	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 25, 2016 and before April 21, 2017) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 25, 2016, filed April 28, 2016 and incorporated herein by reference). *
10.14	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 21, 2017) (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated April 21, 2017, filed April 25, 2017 and incorporated herein by reference). *
10.15	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (relating to cliff vested awards) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 24, 2013, filed July 26, 2013 and incorporated herein by reference). *#
10.16	Form of Restricted Stock Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (providing for ratable vesting over three years) (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.17	

	Form of Performance Share Unit Agreement for Executives with respect to the Company’s Long-Term Stock Incentive Plan (awards on or after April 28, 2014 and before April 28, 2015) (filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K dated April 28, 2014, filed May 1, 2014 and incorporated herein by reference). *
10.18	Form of Performance Share Unit Agreement for Executives with respect to the Company’s Long-Term Stock Incentive Plan (awards on or after April 28, 2015 and before April 25, 2016) (filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K dated April 28, 2015, filed May 1, 2015 and incorporated herein by reference). *
10.19	Form of Performance Share Unit Agreement for Non-Executive Employees with respect to the Company’s Long-Term Stock Incentive Plan (awards on or after April 28, 2014 and before April 28, 2015) (filed as Exhibit 10.26 to the Company’s Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.20	Form of Performance Share Unit Agreement for Non-Executive Employees with respect to the Company’s Long-Term Stock Incentive Plan (awards on or after April 28, 2015 and before April 25, 2016) (filed as Exhibit 10.4 to the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2015 and incorporated herein by reference). *
10.21	Form of Performance Share Unit Agreement with respect to the Company’s Long-Term Stock Incentive Plan (awards on or after April 25, 2016 and before April 21, 2017) (filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K dated April 25, 2016, filed April 28, 2016 and incorporated herein by reference). *

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10.22	Form of Performance Share Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (awards on or after April 21, 2017) (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated April 21, 2017, filed April 25, 2017 and incorporated herein by reference). *
10.23	Form of Performance Share Unit Agreement with respect to the Company's Long-Term Stock Incentive Plan (relating to specified performance criteria) (filed as Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.24	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants before July 17, 2008) (filed as Exhibit 99.5 to the Company's Current Report on Form 8-K dated December 6, 2007, filed December 12, 2007 and incorporated herein by reference). *#
10.25	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 17, 2008 and before July 22, 2010) (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2008 and incorporated herein by reference). *#
10.26	Form of Terms and Conditions Memorandum for Directors with respect to a pro rata grant of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 20, 2010, filed April 22, 2010 and incorporated herein by reference). *#
10.27	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 22, 2010 and before July 27, 2012) (filed as Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2010 and incorporated herein by reference). *#
10.28	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 27, 2012 and before July 23, 2014) (filed as Exhibit 10.3 to the Company's Current Report on Form 8-K dated July 27, 2012, filed July 31, 2012 and incorporated herein by reference). *#
10.29	Form of Terms and Conditions Memorandum for Directors with respect to grants of options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 23, 2014 and before July 20, 2016) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 23, 2014, filed July 25, 2014 and incorporated herein by reference). *
10.30	Form of Terms and Conditions Memorandum for Directors with respect to options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 20, 2016 and before July 18, 2017) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 20, 2016, filed July 22, 2016 and incorporated herein by reference). *
10.31	Form of Terms and Conditions Memorandum for Directors with respect to options to purchase Class 1 Stock pursuant to the Company's Long-Term Stock Incentive Plan (grants on or after July 18, 2017) (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 18, 2017, filed July 20, 2017 and incorporated herein by reference). *
10.32	

	Form of Restricted Stock Award Agreement for Directors with respect to awards of restricted stock pursuant to the Company’s Long-Term Stock Incentive Plan (awards on or after July 18, 2017) (filed as Exhibit 10.2 to the Company’s Current Report on Form 8-K dated July18, 2017, filed July 20, 2017 and incorporated herein by reference). *
10.33	Form of Restricted Stock Unit Agreement for Directors with respect to awards of restricted stock units pursuant to the Company’s Long-Term Stock Incentive Plan (awards on or after July 18, 2017) (filed as Exhibit 10.3 to the Company’s Current Report on Form 8-K dated July18, 2017, filed July 20, 2017 and incorporated herein by reference). *
10.34	Rules for Cash Incentive Awards under the Company’s Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K dated March 27, 2018, filed March 29, 2018 and incorporated herein by reference). *
10.35	Constellation Brands, Inc. Annual Management Incentive Plan, amended and restated as of July 27, 2012 (filed as Exhibit 10.1 to the Company’s Current Report on Form 8-K dated July 27, 2012, filed July 31, 2012 and incorporated herein by reference). *#
10.36	Supplemental Executive Retirement Plan of the Company (filed as Exhibit 10.14 to the Company’s Annual Report on Form 10-K for the fiscal year ended February 28, 1999 and incorporated herein by reference). *#
10.37	First Amendment to the Company’s Supplemental Executive Retirement Plan (filed as Exhibit 10 to the Company’s Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 1999 and incorporated herein by reference). *#

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10.38	Second Amendment to the Company's Supplemental Executive Retirement Plan (filed as Exhibit 10.20 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2001 and incorporated herein by reference). *#
10.39	Third Amendment to the Company's Supplemental Executive Retirement Plan (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated April 7, 2005, filed April 13, 2005 and incorporated herein by reference). *#
10.40	2005 Supplemental Executive Retirement Plan of the Company (filed as Exhibit 99.3 to the Company's Current Report on Form 8-K dated April 7, 2005, filed April 13, 2005 and incorporated herein by reference). *#
10.41	First Amendment to the Company's 2005 Supplemental Executive Retirement Plan (filed as Exhibit 10.7 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2007 and incorporated herein by reference). *#
10.42	Second Amendment to the Company's 2005 Supplemental Executive Retirement Plan (filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2013 and incorporated herein by reference). *#
10.43	Amended and Restated Guarantee Agreement, dated as of July 14, 2017, made by the subsidiaries of Constellation Brands, Inc. from time to time party thereto and Constellation Brands, Inc., in favor of Bank of America, N.A., as Administrative Agent, for the ratable benefit of the Lenders party to the Credit Agreement (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated July 14, 2017, filed July 19, 2017 and incorporated herein by reference).
10.44	Amended and Restated Cross-Guarantee Agreement, dated as of October 13, 2016, by and among CIH International S.à r.l., CIH Holdings S.à r.l, CB International Finance S.à r.l., and Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated October 13, 2016, filed October 18, 2016 and incorporated herein by reference).
10.45	Amended and Restated Cross-Guarantee Agreement, dated as of July 14, 2017, made by CIH International S.à r.l. and CB International Finance S.à r.l., in favor of Bank of America, N.A., as Administrative Agent (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated July 14, 2017, filed July 19, 2017 and incorporated herein by reference).
10.46	Form of Executive Employment Agreement between Constellation Brands, Inc. and its Chairman of the Board and its Chief Executive Officer (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated May 21, 2008, filed May 21, 2008, and incorporated herein by reference). *#
10.47	Form of Executive Employment Agreement between Constellation Brands, Inc. and certain Other Executive Officers (including F. Paul Hetterich and Thomas Mullin) (filed as Exhibit 99.2 to the Company's Current Report on Form 8-K dated May 21, 2008, filed May 21, 2008 and incorporated herein by reference). *#
10.48	Executive Employment Agreement effective as of August 1, 2016, between Constellation Brands Canada, Inc. and John A. Wright (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 14, 2016, filed June 15, 2016 and incorporated herein by reference). *
10.49	Retention Bonus Agreement dated November 24, 2016 between Constellation Brands Canada, Inc. and John A. (Jay) Wright (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated November 24, 2016,

	filed November 28, 2016 and incorporated herein by reference). *
10.50	Executive Employment Agreement dated February 27, 2017 and effective March 1, 2017, among Crown Imports LLC, Constellation Brands, Inc., and William F. Hackett (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated February 25, 2017, filed February 28, 2017 and incorporated herein by reference). *
10.51	Executive Employment Agreement made as of June 17, 2013, between Constellation Brands, Inc. and Thomas M. Kane (filed as Exhibit 10.9 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2013 and incorporated herein by reference). *#
10.52	Executive Employment Agreement made as of January 26, 2015, between Constellation Brands, Inc. and William A. Newlands (filed as Exhibit 10.57 to the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2015 and incorporated herein by reference). *
10.53	Executive Employment Agreement made as of June 29, 2015, between Constellation Brands, Inc. and David Klein (filed as Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 29, 2015, filed July 2, 2015 and incorporated herein by reference). *
10.54	Form of Executive Employment Agreement between Constellation Brands, Inc. and certain of its Other Executive Officers (including Christopher Stenzel and James O. Bourdeau) (filed as Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2017 and incorporated herein by reference). *

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10.55	Amended and Restated Sub-license Agreement, dated as of June 7, 2013, between Marcas Modelo, S. de R.L. de C.V. and Constellation Beers Ltd. (filed as Exhibit 10.2 to the Company's Current Report on Form 8-K dated June 7, 2013, filed June 11, 2013 and incorporated herein by reference). +#
12.1	Statements re computation of ratios (filed herewith).
21.1	Subsidiaries of the Company (filed herewith).
23.1	Consent of KPMG LLP (filed herewith).
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 (filed herewith).
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 (filed herewith).
99.1	Constellation Brands, Inc. 1989 Employee Stock Purchase Plan (amended and restated as of July 24, 2013) (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated July 24, 2013, filed July 26, 2013 and incorporated herein by reference). *#
99.2	First Amendment, dated and effective April 25, 2016, to the Company's 1989 Employee Stock Purchase Plan (filed as Exhibit 99.1 to the Company's Current Report on Form 8-K dated April 25, 2016, filed April 28, 2016 and incorporated herein by reference). *
99.3	Final Judgment filed with the United States District Court for the District of Columbia on October 24, 2013, together with Exhibits B and C (filed as Exhibit 99.1 to the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended November 30, 2013 and incorporated herein by reference).
101.1	The following materials from the Company's Annual Report on Form 10-K for the fiscal year ended February 28, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Balance Sheets as of February 28, 2018 and February 28, 2017; (ii) Consolidated Statements of Comprehensive Income for the years ended February 28, 2018, February 28, 2017 and February 29, 2016; (iii) Consolidated Statements of Changes in Stockholders' Equity for the years ended February 28, 2018, February 28, 2017 and February 29, 2016; (iv) Consolidated Statements of Cash Flows for the years ended February 28, 2018, February 28, 2017 and February 29, 2016; and (v) Notes to Consolidated Financial Statements.

* Designates management contract or compensatory plan or arrangement.
\# Company's Commission File No. 001-08495. For filings prior to October 4, 1999, use Commission File No. 000-07570.
\+ Portions of this exhibit were redacted pursuant to a confidential treatment request filed with and approved by the Securities and Exchange Commission pursuant to Rule 24b-2 under the Securities Exchange Act of 1934, as amended.

We agree, upon request of the Securities and Exchange Commission, to furnish copies of each instrument that defines the rights of holders of long-term debt of the Company or its subsidiaries that is not filed herewith pursuant to Item 601(b)(4)(iii)(A) because the total amount of long-term debt authorized under such instrument does not exceed 10%

of the total assets of the Company and its subsidiaries on a consolidated basis.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

April 23, 2018	CONSTELLATION BRANDS, INC.
	By: /s/ Robert Sands Robert Sands Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ Robert Sands Robert Sands, Director and Chief Executive Officer (principal executive officer) April 23, 2018	/s/ David Klein David Klein, Executive Vice President and Chief Financial Officer (principal financial officer and principal accounting officer) April 23, 2018
/s/ Richard Sands Richard Sands, Director and Chairman of the Board April 23, 2018	/s/ Jerry Fowden Jerry Fowden, Director April 23, 2018
/s/ Barry Fromberg Barry Fromberg, Director April 23, 2018	/s/ Robert L. Hanson Robert L. Hanson, Director April 23, 2018
/s/ Ernesto M. Hernández Ernesto M. Hernández, Director April 23, 2018	/s/ Susan Somersille Johnson Susan Somersille Johnson, Director April 23, 2018
/s/ James A. Locke III James A. Locke III, Director April 23, 2018	/s/ Daniel J. McCarthy Daniel J. McCarthy, Director April 23, 2018
/s/ Judy A. Schmeling Judy A. Schmeling, Director April 23, 2018	/s/ Keith E. Wandell Keith E. Wandell, Director April 23, 2018