

FINANCIAL HIGHLIGHTS

For the Years Ended February 28 or 29

(in millions, except per share data)

	2006	2005	2004	2003	2002
INCOME STATEMENT REPORTED RESULTS					
Sales	\$ 5,706.9	\$ 5,139.9	\$ 4,469.3	\$ 3,583.1	\$ 3,420.2
Net sales	4,603.4	4,087.6	3,552.4	2,731.6	2,606.8
Operating income	666.1	567.9	487.4	405.0	339.9
Net income	325.3	276.5	220.4	203.3	136.4
Diluted earnings per share	1.36	1.19	1.03	1.10	0.78
INCOME STATEMENT COMPARABLE RESULTS					
Net sales	\$ 4,603.4	\$ 4,087.6	\$ 3,543.2	\$ 2,731.6	\$ 2,606.8
Operating income	760.0	626.7	558.9	409.7	369.8
Net income	379.8	314.1	266.5	192.2	156.9
Diluted earnings per share	1.59	1.35	1.25	1.04	0.89
CASH FLOW DATA					
Net cash provided by operating activities	\$ 436.0	\$ 320.7	\$ 340.3	\$ 236.1	\$ 213.3
Purchases of property, plant, and equipment	132.5	119.7	105.1	71.6	71.1
Free cash flow	303.5	201.0	235.2	164.5	142.2

Comparable financial results are provided because the Company believes this information provides investors better insight on underlying business trends and results in order to evaluate year-over-year financial performance. Management uses this information in evaluating the results of continuing operations of the Company and internal goal setting.

The comparable financial results reflect the exclusion of the following items: restructuring and related charges; acquisition-related integration costs; the flow through of adverse grape cost associated with the Robert Mondavi acquisition; facility rationalization costs; the flow through of inventory step-up associated with acquisitions and investments in equity method investees; due diligence costs associated with a potential acquisition offer; income tax adjustment in connection with the reversal of income tax accruals related to the completion of various income tax examinations; financing costs associated with the repayment of prior credit agreements and redemption of senior notes; net gain on sale of non-strategic assets; gain on transaction termination fee; relief from certain excise taxes, duty and other costs incurred in prior years; write-down of inventory in connection with the exit of a product line; imputed interest charge associated with the Hardy acquisition; gains on changes in fair value of derivative investments associated with financing acquisitions; and amortization expense, reflecting the impact of SFAS 142 (goodwill amortization) as if it had been adopted as of March 1, 2001.

The impact of excluding these items from the comparable financial results for: net sales totaled (\$9.2) for 2004; operating income totaled \$93.9 for 2006, \$58.8 for 2005, \$71.5 for 2004, \$4.7 for 2003 and \$29.9 for 2002; net income totaled \$54.5 for 2006, \$37.6 for 2005, \$46.1 for 2004, (\$11.1) for 2003 and \$20.5 for 2002; diluted earnings per share totaled \$0.23 for 2006, \$0.16 for 2005, \$0.22 for 2004, (\$0.06) for 2003 and \$0.11 for 2002. Net income and earnings per share amounts on a comparable basis are net of income taxes at a rate of 34.6% for 2006, 36% for 2005 and 2004, 39.3% for 2003 and 39% for 2002.

"Free cash flow" as used by the Company means net cash provided by operating activities prepared in accordance with generally accepted accounting principles in the U.S. ("GAAP") less purchases of property, plant and equipment. Free cash flow is considered a liquidity measure and provides useful information to investors about the amount of cash generated after such capital expenditures, which can then be used, after required debt service and dividend payments, for other general corporate purposes. A limitation of free cash flow is that it does not represent the total increase or decrease in the cash balance for the period. Free cash flow should be considered in addition to, not as a substitute for, or superior to, cash flow from operating activities prepared in accordance with GAAP.