

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) April 18, 2019

CONSTELLATION BRANDS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-08495
(Commission
File Number)

16-0716709
(IRS Employer
Identification No.)

207 High Point Drive, Building 100, Victor, NY 14564
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(585) 678-7100**

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure.

On April 18, 2019, Constellation Brands, Inc. (“Constellation”) issued a news release announcing that it had entered into an agreement with Canopy Growth Corporation (“Canopy”) to modify the terms of certain warrants and other rights; a copy of which release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

References to Constellation’s website and/or other social media sites or platforms in the releases do not incorporate by reference the information on such websites, social media sites or platforms into this Current Report on Form 8-K, and Constellation disclaims any such incorporation by reference. The information in the news release attached as Exhibit 99.1 is incorporated by reference into this Item 7.01 in satisfaction of the public disclosure requirements of Regulation FD. This information is “furnished” and not “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and is not otherwise subject to the liabilities of that section. Such information may be incorporated by reference in another filing under the Securities Exchange Act of 1934 or the Securities Act of 1933 only if and to the extent such subsequent filing specifically references the information incorporated by reference herein.

Item 8.01 Other Events.

On April 18, 2019, Constellation announced that it had entered into an agreement with Canopy to modify the terms of certain common share purchase warrants in Canopy (the “CBG Warrants”) and certain other rights. The proposed modifications of the CBG Warrants are subject to the approval of Canopy’s shareholders. The CBG Warrants were acquired on November 1, 2018 by CBG Holdings LLC (“CBG”), a wholly-owned Constellation subsidiary. The CBG Warrants consist of 88,472,861 “Tranche A” warrants exercisable at a price of C\$50.40 per share and 51,272,592 “Tranche B” warrants exercisable upon the exercise, in full, of the Tranche A warrants at a price based on the five-day volume-weighted average trading price of Canopy common shares on the Toronto Stock Exchange immediately prior to exercise. The CBG Warrants are currently exercisable over a three-year period from November 1, 2018.

As a result of the proposed modifications, the CBG Warrants will consist of three tranches of warrants. The 88,472,861 modified Tranche A warrants will continue to have an exercise price of C\$50.40 per warrant share but would expire November 1, 2023. The remaining CBG Warrants would consist of 38,454,444 modified Tranche B warrants exercisable upon the exercise, in full, of the modified Tranche A warrants, at an exercise price of C\$76.68 per warrant share and 12,818,148 “Tranche C” warrants exercisable upon the exercise, in full, of the modified Tranche A warrants, at an exercise price based on the five-day volume-weighted average trading price of Canopy common shares on the Toronto Stock Exchange immediately prior to exercise. The modified Tranche B warrants and the Tranche C warrants would expire November 1, 2026. Additionally, the exercise price of the modified Tranche B warrants and the Tranche C warrants may be reduced in the event Canopy does not purchase, for cancellation, 27,378,866 of its common shares during a period beginning April 18, 2019, and ending on the date that is 24 months after the date that all the modified Tranche A warrants are exercised, provided that the aggregate purchase price of the number of shares that can be purchased for cancellation shall not exceed C\$1,582,995,262. If for any reason Canopy has not purchased for cancellation the common shares required to be purchased for cancellation, CBG will be credited an amount that will reduce the aggregate exercise price otherwise payable upon each exercise of the modified Tranche B warrants and the Tranche C warrants to an amount equal to the difference between C\$1,582,995,262 and the actual price paid by Canopy in purchasing its common shares for cancellation.

Additionally, the number of modified Tranche B warrants or Tranche C warrants shall be decreased by one for each Canopy common share acquired by Constellation and its subsidiaries on the open market or in private agreement transactions with existing holders of Canopy common shares, up to an aggregate maximum reduction of 20,000,000 warrants. Absent this modification, Constellation currently cannot acquire additional Canopy common shares on the open market or in private agreement transactions with existing holders of Canopy common shares until all the CBG Warrants have been exercised or have expired.

The foregoing proposed changes are the result of Canopy's announced intention to acquire Acreage Holdings, Inc. ("Acreage") upon federal cannabis legalization in the United States, subject to certain conditions. Various approvals, including but not limited to approval by Canopy shareholders of both the Acreage transaction and the modifications to the CBG Warrants, are required for the modifications to the CBG Warrants to be effective.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is furnished as part of this Current Report on Form 8-K:

Exhibit No. Description

99.1 News Release of Constellation Brands, Inc. dated April 18, 2019.

INDEX TO EXHIBITS

Exhibit No. **Description**

(99) ADDITIONAL EXHIBITS

(99.1) [News Release of Constellation Brands, Inc. dated April 18, 2019.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 19, 2019

CONSTELLATION BRANDS, INC.

By: /s/ David Klein

David Klein

Executive Vice President and
Chief Financial Officer

Constellation Brands Enters Into Agreement with Canopy Growth Corporation to Modify Warrants and Other Rights

VICTOR, N.Y., April 18, 2019 - Constellation Brands, Inc. (NYSE: STZ and STZ.B), a leading beverage alcohol company, today announced that it plans to enter into an agreement with Canopy Growth Corporation (“Canopy”) (TSX: WEED, NYSE: CGC), a leading diversified cannabis company, to modify certain warrants and other rights. These changes are the result of Canopy’s intentions to acquire Acreage Holdings, Inc. (“Acreage”) upon U.S. Federal cannabis legalization.

Earlier today, Canopy announced (see Canopy press release “Canopy Growth Announces Option to Acquire Leading U.S. Multi-state Cannabis Operator, Acreage Holdings”) it has entered into an agreement with Acreage, a U.S. multi-state cannabis operator, where Canopy plans to acquire the shares of Acreage upon U.S. Federal cannabis legalization (the “Triggering Event”), subject to certain conditions. This transaction, as well as proposed modifications to certain Constellation warrants, are subject to approval by Canopy shareholders. Constellation has agreed to waive its veto rights to this transaction subject to certain proposed modifications to the warrants and other conditions as outlined below:

- In addition to the 18.9 million warrants associated with the November 2017 Canopy investment, Constellation also currently has 139.7 million warrants in Canopy, which upon shareholder approval would become exercisable over a period of five to eight years from November 1, 2018, compared to the previous three-year period. This includes 88.5 million Tranche A warrants, which are exercisable at a price per share of C\$50.40 and 51.2 million Tranche B warrants, of which 38.4 million, or 75 percent, are exercisable at a price per share of C\$76.68. The remaining 25 percent of the original Tranche B warrants will become Tranche C warrants and will be exercisable at Canopy’s five-day volume weighted average price of the common shares on the Toronto Stock Exchange (“VWAP”) immediately prior to exercise. If Canopy exercises its right to acquire the shares of Acreage and Constellation were to exercise all of their outstanding Canopy warrants, Constellation’s ownership in Canopy is not expected to exceed 50 percent.

	Current Warrants			Revised Warrants		
	Expiry Date	Shares	Price	Expiry Date	Shares	Price
Tranche A warrants	Nov. 1, 2021	88.5 M	C\$50.40	Nov. 1, 2023	88.5 M	C\$50.40
Tranche B warrants	Nov. 1, 2021	51.2 M	VWAP (1)	Nov. 1, 2026	38.4 M	C\$76.68 (2)
Tranche C warrants	--	--	--	Nov. 1, 2026	12.8 M	VWAP (1)

(1) Five-day VWAP of Canopy common shares on the Toronto Stock Exchange immediately prior to exercise

(2) 75 percent of original Tranche B warrants priced at Canopy stock 52-week high



- If Constellation exercises Tranche A warrants in full, Canopy has committed to repurchase the lesser of 25 percent of its issued shares to Acreage or a dollar amount equal to 25 percent of the implied enterprise value of Acreage within 24 months of the date of Constellation's warrant exercise.
- Constellation would be permitted to purchase up to 20 million Canopy shares in the open market prior to the warrants being exercised or terminated, provided that for each share purchased by Constellation, the number of Tranche B warrants is decreased by one.
- Constellation will continue to maintain its current level of representation on Canopy's Board of Directors.

About Constellation Brands

Constellation Brands (NYSE: STZ and STZ.B), a Fortune 500® company, is a leading international producer and marketer of beer, wine and spirits with operations in the U.S., Mexico, New Zealand, Italy and Canada. Constellation is the No. 3 beer company in the U.S. with high-end, iconic imported beer brands such as the Corona and Modelo brand families and Pacifico. Its high-quality, wine and spirits brands include the Robert Mondavi and The Prisoner Wine Company brand families, Kim Crawford, Ruffino, Meiomi and SVEDKA Vodka. The company's portfolio also includes a collection of highly-rated, wine brands such as SIMI and Mount Veeder Winery wine brands, High West Whiskey and Casa Noble Tequila, as well as new wine innovations such as Cooper & Thief and Spoken Barrel.

Based in Victor, N.Y., the company believes that industry leadership involves a commitment to brand building, our trade partners, the environment, our investors and to consumers around the world who choose our products when celebrating big moments or enjoying quiet ones. Since its founding in 1945, Constellation's ability to see, meet and stay ahead of shifting consumer preferences and trends across total beverage alcohol has fueled our success and made us the No. 1 growth contributor in beverage alcohol in the U.S.

To learn more, follow us on Twitter [@cbrands](https://twitter.com/cbrands) and visit www.cbrands.com.

Forward-Looking Statements

This news release contains forward-looking statements. All statements other than statements of historical fact are forward-looking statements. The word "expect" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These statements may relate to business strategy, future operations, prospects, and plans and objectives of management, as well as information concerning future ownership levels in Canopy and expected actions of third parties, including but not limited to Canopy's potential transaction with Acreage and Canopy's potential repurchase of shares issuable in that potential transaction. All forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those set forth in, or implied by, such forward-looking statements.

The forward-looking statements are based on management's current expectations and should not be construed in any manner as a guarantee that such results will in fact occur. All forward-looking statements speak only as of the date of this news release and Constellation Brands undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The proposed revision of the warrants held by certain Constellation subsidiaries in Canopy (the "Warrants Revision") is subject to various conditions, including approval by Canopy shareholders.

Any transaction between Acreage and Canopy would also be subject to various conditions. There can be no assurance either that Canopy's shareholders will approve the proposed Warrants Revision or the intended transaction with Acreage. There also can be no assurance that any transaction between Canopy and Acreage will occur or that the Triggering Event of Canopy's intended transaction with Acreage will occur.

In addition to risks and uncertainties associated with ordinary business operations, the forward-looking statements contained in this news release are subject to other risks and uncertainties, including the accuracy of all projections and other factors and uncertainties disclosed from time-to-time in the company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the fiscal year ended February 28, 2018, as supplemented by the company's Quarterly Report on Form 10-Q for the fiscal quarter ended August 31, 2018, which could cause actual future performance to differ from current expectations.

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