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Constellation Brands will acquire Svedka vodka owner for \$384 million

The Associated Press

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FAIRPORT, New York: Constellation Brands Inc., the only beer, wine and spirits company based in the United States, is buying Svedka vodka and its brand owner, Spirits Marque One LLC, for \$384 million (€296.5 million).

The acquisition from Belgian-based Alcofinance SA and Guillaume Cuvelier is expected to close March 1.

Svedka, a premium vodka produced in Sweden, was launched in 1998. About 1.1 million cases of Svedka were sold in 2006, mainly in the United States — 60 percent more than in 2005.

Constellation said the acquisition will result in a charge of 5 cents to 6 cents in the fiscal year ending February 2008. It also is expected to hurt earnings in 2009 and 2010, and will start to help earnings after that.

Constellation acquired Australian vintner BRL Hardy Ltd. for \$1.1 billion (€0.85 billion) in cash and stock in 2003 in a deal that made it the world's largest wine business. It jumped further ahead of longtime wine leader E. & J. Gallo Winery of Modesto, California, when it bought Robert Mondavi Corp. for \$1.3 billion (€1 billion).

Its 200-plus brands range from jug wines to coveted California reds such as Ravenswood and Estancia, beer imports from Corona to St. Pauli Girl, and liquors like Skol gin and Black Velvet Canadian whiskey. It owns 10 brands of vodka including Fleischmann's, Barton and Glenmore.