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MONDAVI ROBERT CORP
Form DEFA14A
September 16, 2004

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT
SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant [X]
Filed by a Party other than the Registrant []

Check the appropriate box:

- [] Preliminary Proxy Statement [] Confidential, For Use of the
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THE ROBERT MONDAVI CORPORATION

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

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SVP/VP Talking Points
For Use by GREG EVANS
CONFERENCE CALL ON TUESDAY, SEPTEMBER 14, 2004
RTP

Talking Points:

- |X| Good morning [Good afternoon].
- |X| As you know, I am calling from New York where we have just completed the September Board meeting. Tomorrow we will make an announcement to the public, and due to regulations that govern publicly traded companies, we have a brief window of time to provide you with the information before it becomes public.
- |X| We are emerging from this Board meeting with a defined strategy, which we believe will position us for success.
- |X| Before I dive into the details of the announcement, I should let you know that a company wide email will be distributed this afternoon explaining the announcement to employees. This will not be nearly enough, as we are making some complex and challenging decisions that will affect many in the organization. You will need to meet with all of your teams in the next 48 hours. You will need to prepare for those department meetings. Please review my employee email as well as the press release and FAQ which will be posted on our website and Connect. Additionally, I will be emailing you talking points for those team meetings after we hang up today.
- |X| As I mentioned, this announcement will be made to the public tomorrow morning in a press release that will be issued before the Stock Market opens.
- |X| We will reconfigure the company and adopt a strategy to focus entirely on our Lifestyle wine brands. As such, we have also announced our intention to pursue the divestiture our luxury assets.
- |X| This decision was not easy and was made after careful consideration and weighing our business options. We recognize that this is a significant change.
- |X| Fundamentally, we believe that to fuel the growth of our business, it no

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longer makes sense to continue operating as we have been in the past.

- |X| Our Lifestyle wines drive more than 80% of our revenues and profitability. Yet, they are not receiving 80% of our attention and resources, as significant resources have been applied to our luxury business. In order to position the company for a successful future, some difficult decisions have been made about our strategy and reconfiguring the business.

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- |X| The Board of Directors has approved several changes to our business with implications for our employee population and almost every other aspect of our operations. These decisions include the following items:
 - To fuel our growth, we will focus on our lifestyle wine brands and pursue the divestiture our luxury assets. Those assets will include all of our luxury brands, properties and investment stakes in various joint ventures.
 - Unfortunately, there will be employee positions eliminated
 - Some employees - long-service and multiple-generations of families - will be let go. We will continue to be respectful and supportive of our colleagues.
 - Michael Mondavi will be leaving the company but continuing to serve as a member of our Board of Directors.
- |X| We recognize this is a big change for our company into new ways of working.
- |X| We believe with this new direction, we will become the leading premium lifestyle wine company in the world.
 - We have a strong foundation from which to grow and a world-class team. We have a keen understanding of consumer insights. We have developed powerful brands like Woodbridge, which is the #1 wine brand in the world, in its category. We have seen impressive growth with Robert Mondavi Private Selection, when other wines in its category are in decline. And we have proven success in launching new brands like Papio.
 - Our commitment to quality is steadfast. We are dedicated to producing fine wine for every day.
 - And we know that with our distributor partnerships, we have the market influence to execute and create successful brands that bring shareholder value while delighting consumers.
- |X| Even though you may not agree with every decision, we need to be unified in our announcement and in what we say going forward. Again, I will be sending you talking points for your team meetings. You will need to address your teams with these talking points.
- |X| As a result of this direction, we will pursue the divestiture our luxury assets. These assets include:
 - Robert Mondavi Winery and its vineyards
 - Opus One
 - Luce
 - Lucente
 - Ornellaia
 - Sena
 - Arboleda
 - The Byron Winery and its vineyards
 - The Arrowood Winery and its vineyards

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-- Grand Archer by Arrowood

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- |X| In particular, we are taking steps for Robert Mondavi Winery to ensure that it endures as one of the world's greatest wine estates. We will reconfigure Robert Mondavi Winery to maximize its value. To that point, we plan to bring a Managing Director for Robert Mondavi Winery on board.
- |X| In terms of people working for our luxury brands, there will be some immediate changes as we prepare for divestiture.
- |X| Frankly, the most difficult decisions we have had to make as leaders, concerns the impact of these changes on employees. We expect that we will have staffing reductions for both our luxury and lifestyle businesses.
- |X| Your direct supervisor will reach out to you shortly, to discuss how these changes personally impact you or your department. Human Resources will be training all supervisors with affected employees in layoff discussions.
- |X| For affected employees, we will disclose details about severance packages and what support will be provided to those leaving the organization.
- |X| This transition will be difficult for people staying and leaving. As a team, we will be respectful of each other and sympathetic for each individual personally affected.
- |X| As we move forward, there will be many questions. And, we will answer forthrightly, and let you know what we do and do not know.
- |X| I am committed to sharing more information on our new strategies in the next weeks, which will help you understand how we are moving the company forward - and how you can contribute to the new organization.
- |X| During this transition, we need to work together to work through any issues that come up.
- |X| And, while this is obviously distracting, we need to focus on the tasks at hand in the short term.
- |X| This is truly a difficult and emotional time. The senior management team is working to provide information as quickly as possible. We understand how difficult and stressful this is for our employees. We also understand the impact that this direction will have on all of us and on the community. We do believe, however, that this is the right direction for the future.
- |X| We will all feel the effects of this change in some way. Again, this company has a very tight-knit and caring culture. We need to tap into those attributes now to help one another through this transition.

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- |X| Please feel free to reach out to me individually to discuss this further. Until then, I will open this up for any questions.

Important Information For Investors and Shareholders

In connection with the proposed recapitalization plan, The Robert Mondavi

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Corporation will file a combined proxy statement/prospectus and other relevant documents with the Securities and Exchange Commission (the "SEC"). INVESTORS AND SHAREHOLDERS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS WHEN IT BECOMES AVAILABLE AS IT WILL CONTAIN IMPORTANT INFORMATION ABOUT THE RECAPITALIZATION PLAN AND RELATED MATTERS. INVESTORS AND SHAREHOLDERS WILL HAVE ACCESS TO FREE COPIES OF THE PROXY STATEMENT/PROSPECTUS (WHEN AVAILABLE) AND OTHER DOCUMENTS FILED WITH THE SEC BY THE COMPANY THROUGH THE SEC WEB SITE AT WWW.SEC.GOV. THE PROXY STATEMENT/PROSPECTUS AND RELATED MATERIALS MAY ALSO BE OBTAINED FOR FREE (WHEN AVAILABLE) FROM THE COMPANY BY DIRECTING A REQUEST TO THE COMPANY'S INVESTOR RELATIONS DEPARTMENT AT 841 LATOUR COURT, NAPA, CA 94558; TELEPHONE (707) 251-4850; E-MAIL MOND@ROBERTMONDAVI.COM.

The Company and its directors, executive officers, certain members of management and employees may be deemed to be participants in the solicitation of proxies in connection with the proposed merger. Information regarding the persons who may, under the rules of the SEC, be considered to be participants in the solicitation of the Company's shareholders in connection with the proposed recapitalization plan is set forth in the Company's annual report on Form 10-K for the fiscal year ended June 30, 2003 filed with the SEC on September 26, 2003 and proxy statement for its 2003 annual meeting of shareholders filed with the SEC on October 28, 2003. Additional information regarding such persons and a description of their direct and indirect interests in the recapitalization plan will be set forth in the proxy statement/prospectus when it is filed with the SEC.

Forward-looking Statements

This announcement and other information provided from time to time by the company contain historical information as well as forward-looking statements about the company, the premium wine industry and general business and economic conditions. Such forward-looking statements include, for example, projections or predictions about the company's future growth, consumer demand for its wines, including new brands and brand extensions, margin trends, anticipated future investment in vineyards and other capital projects, the premium wine grape market and the premium wine industry in general. Actual results may differ materially from the company's present expectations. Among other things, a soft economy, a downturn in the travel and entertainment sector, risk associated with continued conflict in the Middle East, reduced consumer spending, or changes in consumer preferences could reduce demand for the company's wines. Similarly, increased competition or changes in tourism to the company's California properties could affect the company's volume and revenue growth outlook. The supply and price of grapes, the company's most important raw material, is beyond the company's control. A shortage of grapes might constrict the supply of wine available for sale and cause higher grape costs, putting more pressure on gross profit margins. A surplus of grapes might allow for greater sales and lower grape costs, but it might also result in more competition and pressure on selling prices or marketing spending. Interest rates and other business and economic conditions could increase significantly the cost and risks of projected capital spending. The separation of the company into two operating units may impair management's ability to focus on other needed areas of business execution. There are also significant risks associated with separating the company's sizeable sales force into two operating units. Some of the company's strategic alternatives would involve lay offs and significant restructuring changes which could materially impair future earnings. For additional cautionary statements identifying important factors that could cause actual results to differ materially from such forward-looking information, please refer to Item 7,

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"Management's Discussion and Analysis of Financial Condition and Results of Operations," in the company's Annual Report on Form 10-K for the fiscal year ended June 30, 2004, on file with the Securities and Exchange Commission. For these and other reasons, no forward-looking statement by the company can or should be taken as a guarantee of what will happen in the future.

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