



KOSTA BROWNE

WHY KOSTA BROWNE



Differentiation & Appeal
Business Model
Integration Update

About Kosta Browne

What Makes Kosta Browne Special

- Preeminent California Pinot Noir producer with insanely loyal customer following
- Highly regarded by wine connoisseurs with consistent 90++ ratings, won Wine Spectator's Wine of the Year in 2011
- Pioneer of DtC amassing a mailing list of 25,000 active members (10,000 waitlisted) with little marketing to date > peer-to-peer brand ambassadorship
- Joined the pantheon of New World Pinot Noirs in the Duckhorn Portfolio in 2018
- State-of-the-art winery in Sebastopol & estate vineyard holdings

Differentiation

How Kosta Browne is a bit different

- North America's most successful ultra-luxury Pinot Noir brand
- Pioneer of DtC amassing a mailing list of 25,000 active members (10,000 waitlisted) with little marketing to date > peer-to-peer brand ambassadorship
- DtC focus - 85% DTC | 15% Wholesale

Business Model

How Kosta Browne works

- DTC Channel & Promote strategy
 - Allocations based tenure and preference
 - Wishes used to prevent oversell
 - Promote strategy crafted for months before roll-out to balance supply vs demand
- Pricing
 - Members always rewarded with lowest price. FOBs are 75-100% of member price
- Leverage DWC Wholesale & DTC properties to drive engagement, membership, sales

A BRIEF HISTORY



Timeline
Winemaker

History



1997

Dan and Michael met while working at a popular Sonoma restaurant



1999

Investment support allowed 3,400 cases and more brand recognition

1998

First 24 cases of Pinot Noir are produced

2000

Back to Pinot

2003-2008

Gaining in notoriety & top lists



2001

Chris Costello joined as a third partner

2009

Vincraft purchases majority ownership of KB.

2011

Vintage 2009 Wine Spectator Wine of the Year



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Kosta Browne
Pinot Noir Sonoma Coast 2009

95 points / \$52
5,818 cases made
Sonoma County, California

Central to the story of Pinot Noir's steady rise in California has been the improbable ascent of a small Sonoma winery, started more than a decade ago by two waiters who pooled their tips so they could make wine.

History

2013

Moved to a new home in the Barlow and acquired Keefer Ranch



2015

Vincraft sells to JWC

2016

Single Vineyard fermentation room complete

Set goal to become global benchmark for CA Pinot Noir and Chardonnay

Acquired Cerise Vineyard, Anderson Valley. Expanded into Santa Rita Hills



2017

Twenty year celebration

2018

DP acquires KB.

Launched first ever tasting experience, The Gallery.

Released first wines from Cerise.



About Our Winemaker



Julien Howsepian
Kosta Browne Winemaker

Julien Howsepian has earned renown for creating elegant and intense wines prized for their thoughtful complexity, character and soul. As Head Winemaker, he continues Kosta Browne's two-decade legacy of crafting California's benchmark Chardonnays and Pinot Noirs.

KOSTA BROWNE



Global Appeal
Industry Leadership

What They're Saying

“Kosta Browne has cultivated a reputation for producing premier Pinot Noir and Chardonnay that exquisitely translate the terroir from five of the state’s acclaimed appellations.”

- Viju Mathew, *Robb Report*

“Interpreting some of California’s most eloquent Pinot Noir vineyards is a privilege that Kosta Browne’s wines repay in spades.”

- Meredith May, *The SOMM Journal*

“Incredibly classic Pinot Noir that has the charm and fruit to shine today, yet the class to evolve for over a decade.”

- Jeb Dunnuck, *JebDunnuck.com*



Pinot Talks


Exploring the world of Pinot Noir through the lens of California and Burgundy
A series of blind tasting and trade-focused seminars presented by Kosta Browne and Duckhorn Portfolio



Upcoming Seminars

Tokyo
Miami
Las Vegas
Pebble Beach
Chicago
Nantucket
London
Aspen
Houston
Dallas

BRAND ARCHITECTURE



Mission
Portfolio Overview
Spring Offer Calendar
Product Mix

Mission

Establish ourselves as winegrowers with a reverence for distinct vineyards and an obsession with quality at scale. Become the global benchmark for California Pinot Noir and Chardonnay by building brand equity through innovation around customer acquisition, experience, and engagement.



Portfolio Overview



Appellation Series

Spring Offer

One Sixteen Russian River Valley , Chardonnay	375/750 ML
Russian River Valley , Pinot Noir	375/750 ML
Sonoma Coast , Pinot Noir	375/750 ML
Sta. Rita Hills , Pinot Noir	750 ML
Santa Lucia Highlands, Pinot Noir	750 ML

Single-Vineyard Grower Series

Fall Offer

Keefer Ranch , Russian River Valley, Pinot Noir	750 ML
Giusti Ranch, Russian River Valley, Pinot Noir	750 ML
Koplen Vineyard, Russian River Valley, Pinot Noir	750 ML
Cohn Vineyard, Russian River Valley, Pinot Noir	750 ML
Gap's Crown Vineyard , Sonoma Coast, Pinot Noir	750 ML
Kanzler Vineyard, Sonoma Coast, Pinot Noir	750 ML
Thorn Ridge Ranch, Sonoma Coast, Pinot Noir	750 ML
Rosella's Vineyard, Santa Lucia Highlands, Pinot Noir	750 ML
Garys' Vineyard, Santa Lucia Highlands, Pinot Noir	750 ML
Pisoni Vineyard, Santa Lucia Highlands, Pinot Noir	750 ML
4 Barrel, California, Pinot Noir	750 ML

Single-Vineyard Estate Series

Cerise Vineyard, Anderson Valley, Chardonnay	750 ML
Cerise Vineyard , Anderson Valley, Pinot Noir	750 ML
Bootlegger's Hill, Russian River Valley, Chardonnay	750 ML
Bootlegger's Hill, Russian River Valley, Pinot Noir	750 ML
Treehouse Vineyard, Russian River Valley, Pinot Noir	750 ML

Observations Series

Available exclusively in the Gallery at the winery in Sebastopol, CA
(Offerings change each vintage)

*note: **bold wines** available for distribution*

Wholesale Product Mix



Series

A APPELLATION (CH)

A APPELLATION (PN)

G GROWER

E ESTATE

LIGHT



FULL

ONE SIXTEEN (A)

STA RITA HILLS (A)

RUSSIAN RIVER
VALLEY (A)

SONOMA COAST (A)

LIGHT



FULL

CERISE (E)

KEEFER RANCH (G)

GAP'S CROWN (G)

APPELLATION SERIES



One Sixteen Chardonnay
Russian River Valley
Sonoma Coast
Sta. Rita Hills

2018 Kosta Browne One Sixteen Russian River Valley Chardonnay

Key Accolades

v17 97 Pts., *Jeb Dunnuck*. v17 94 Pts., **Wine Enthusiast**.
v17 93 Pts., *James Suckling*.

Tasting Notes

Nose: Pure, with bright lemon zest, honeysuckle, cantaloupe and notes of brioche.

Mouth: Precise and intentional entry with a lively energetic mid-palate, focused acidity and a round, nimble weight.

SRP: \$85

Production & Technical Data

Variety: 100% Chardonnay	UPC: 669576 08112 9
Appellation: Russian River Valley	Oak: 39% new French oak for 14 months
Clones: Robert Young, Montrachet, Wente, 548, 95, Calera, Batto, Mt. Eden, Hyde, Rued	Fermentation: 100% barrel fermented 4% foudre
Inaugural Vintage: 2009	pH: 3.31 TA : 6.65 g/L
Format Available: 375 mL, 750 mL	Alcohol: 13.9%



2018 Kosta Browne Russian River Valley Pinot Noir

Key Accolades

v17 94 Pts., *Jeb Dunnuck*. v17 93 Pts., *Wine & Spirits*.
v17 93 Pts., *Wine Advocate*.

Tasting Notes

Nose: Raspberry bramble, black cheery, subtle touch of vanilla.

Mouth: Round, spherical entry, balanced with inspiring texture.

SRP: \$115

Production & Technical Data

Variety: 100% Pinot Noir	UPC: 669576 08012 2
Appellation: Russian River Valley	Oak: 31% new French oak for 15 months 5% concrete for 5 months
Clones: 115, Calera, Swan, 777, Pommard, 828, 37, 667, 23, Elite, 113, 2A	Fermentation: 72% Stainless steel open tops 7% wood open tops 2% concrete open tops 4% whole cluster
Inaugural Vintage: 2003	pH: 3.60 TA : 5.75 g/L
Formats Available: 375 mL, 750 mL	Alcohol: 14.3%



2018 Kosta Browne Sonoma Coast Pinot Noir

Key Accolades

v17 96 Pts., *Jeb Dunnuck*.

Tasting Notes

Nose: Alluring notes of blackberry, blueberry, and rich raspberry.

Mouth: Bold entry, followed by great tension, focus, a malleable structure, and a long finish.

SRP: \$115

Production & Technical Data

Variety: 100% Pinot Noir	UPC: 669576 08042 9
Appellation: Sonoma Coast	Oak: 35% new French oak for 16 months 7% concrete tank for 5 months 1% wood tank for 5 months
Clones: 115, 667, Swan, 114, 777, 828, 23, Pommard	Fermentation: 77% Stainless steel open tops 12% concrete open tops 5% wood open tops 4% foudre 4% whole cluster
Inaugural Vintage: 2003	pH: 3.57 TA : 5.47 g/L
Formats Available: 375ml, 750 mL	Alcohol: 14.4%



2018 Kosta Browne Sta. Rita Hills Pinot Noir

Key Accolades

v17 93 Pts., *Jeb Dunnuck*.

Tasting Notes

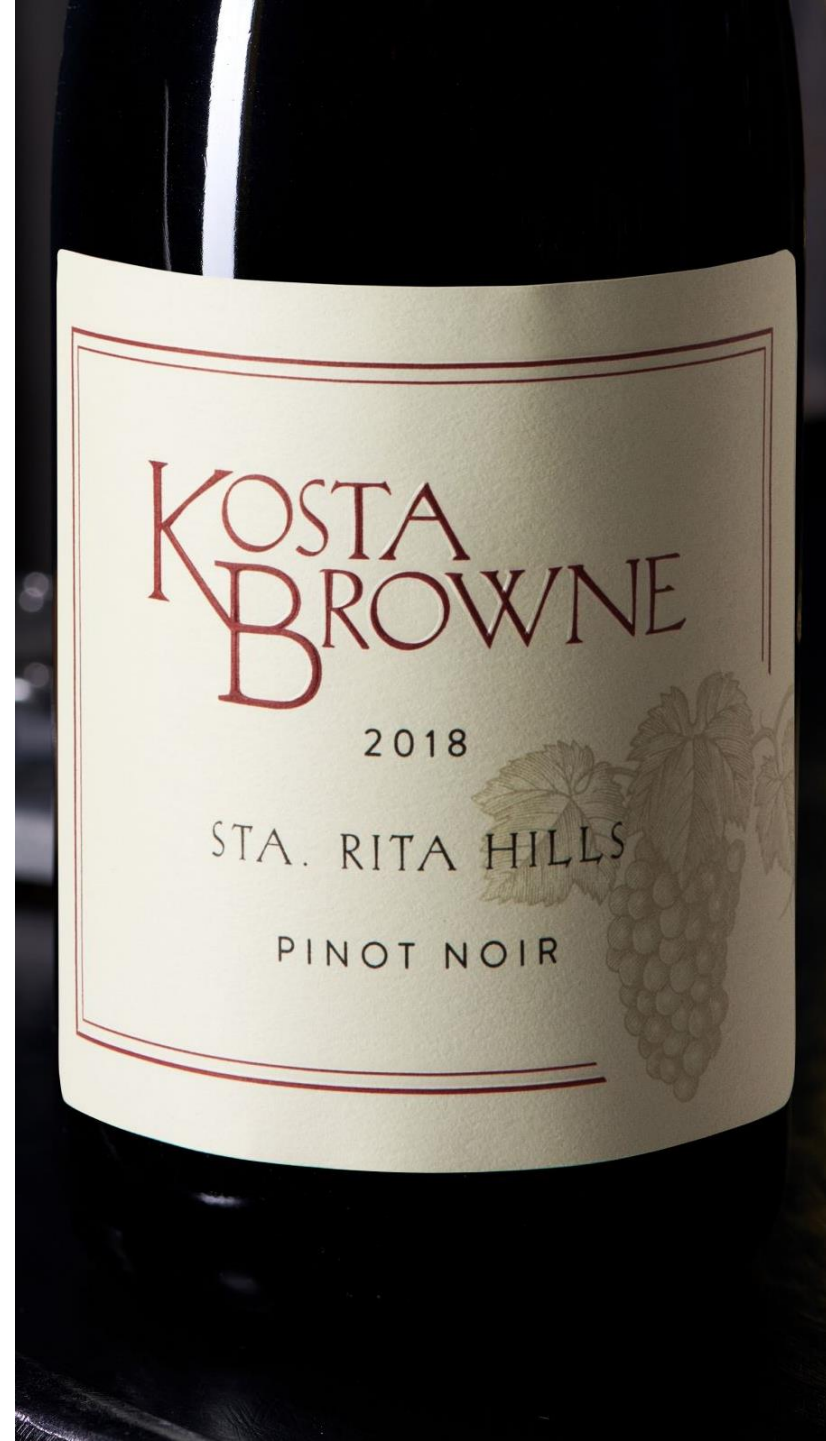
Nose: Bright fruits highlighted by fresh strawberry, red cherry, and cranberry, accentuated by fresh basil and a hint of pot de crème

Mouth: Focused, linear entry, with a subtle yet excellent tension.

SRP: \$115

Production & Technical Data

Variety: 100% Pinot Noir	UPC: 669576 08002 3
Appellation: Santa Rita Hills	Oak: 17% new French oak for 14 months 8% wood tank for 4 months 2% new Austrian oak for 14 months
Clones: 828, 777, 2A, 115, 91, POM 4, 667	Fermentation: 63% Stainless steel open tops 17% concrete 4% wood open tops 20% whole cluster
Inaugural Vintage: 2016	pH: 3.54 TA : 5.70 g/L
Format Available: 750 mL	Alcohol: 14.1%





KOSTA BROWNE APPELLATION SERIES ACCOLADES

Kosta Browne One Sixteen Russian River Valley Chardonnay

2017 : 92 PTS. *WA* | 93 PTS. *JS* | 97 PTS. *JD*
2016 : 90 PTS. *WS* | 92 PTS. *WA* | 93 PTS. *JD*
2015 : 92 PTS. *WS* | 94 PTS. *JS* | 94 PTS. *JD*
2014 : 94 PTS. *WA* | 90 PTS. *WS*
2013 : 92 PTS. *WS* |

Kosta Browne Russian River Valley Pinot Noir

2017 : 90 pts. *WA* | 93 PTS. *WA* | 92 PTS. *JS*
2016 : 92 PTS. *WS* | 92 PTS. *WA* | 93 PTS. *JS* | 91 PTS. *JD*
2015 : 92 PTS. *WS* | 94 PTS. *JS* | 95 PTS. *JD*
2014 : 91 PTS. *WS* | 93 PTS. *WA*
2013 : 92 PTS. *WS* | 93 pts. *WA*

Kosta Browne Sonoma Coast Pinot Noir

2017 : 91 PTS. *WS* | 92 PTS. *WA* | 94 PTS. *JS* | 96 PTS. *JD*
2016 : 91 PTS. *WS* | 91 PTS. *WA* | 94 PTS. *JS* | 94 PTS. *JD*
2015 : 91 PTS. *WS* | 94 PTS. *JS* | 92 PTS. *JD*
2014 : 90 PTS. *WS* | 93 PTS. *WA*
2013 : 93 PTS. *WS* | 93 PTS. *WA*

Kosta Browne Sta. Rita Hills Pinot Noir

2017 : 90 pts. *WS* | 92 PTS. *JS*
2016 : 92 PTS. *WS* | 92 PTS. *JS* | 94 PTS. *JD*

WHOLESALE INFO



Offering Calendar
Pricing
Brand Standards
Signing Up New Members

Wholesale Offer Calendar

SPRING 2019

January

- Wholesale Allocation & Goals Determined

March

- Allocation Letters Sent
- 90 days to submit PO's
- Wholesale orders begin to ship
- Invoiced at time of shipment

April/May

- Follow-up communication to dormant/no response
- Wholesale wish grant begins
- Wholesale Wish Grant closes and Allocation period ends

FALL 2019

June/July/August

- Wholesale Allocation & Goals Determined
- Prep for Fall Allocation

September

- Wholesale Allocation Opens/Letters Sent
- Wholesale Follow-up Communication
- Wholesale orders begin to ship/fulfill

October

- Wholesale Allocation ends
- Wholesale Wish Grant begins

November/December

- Wholesale Wish grant closes and Allocation period ends

Pricing – Spring Offering

WINE	BOTTLE	PK	CA	OOS/EX.	SRP	SRP RANGE	WINE LIST
KB One Sixteen CH	750	6	\$300	\$222	\$85	\$80 - \$90	\$140 - 160
KB Russian River Valley PN	750	6	\$420	\$315	\$115	\$95 - \$125	\$150 - \$199
KB Sonoma Coast PN	750	6	\$420	\$315	\$115	\$95 - \$125	\$150 - \$199
KB Sta Rita Hills PN	750	6	\$420	\$315	\$115	\$95 - \$125	\$150 - \$199

KB One Sixteen CH	375	12	\$300	\$222	\$60	\$55 - \$75	\$80 - \$99
KB Russian River Valley PN	375	12	\$420	\$315	\$60	\$55 - \$75	\$80 - \$99
KB Sonoma Coast PN	375	12	\$420	\$315	\$60	\$55 - \$75	\$80 - \$99

Pricing – Fall Offering

WINE	BOTTLE	PK	CA	OOS/EX.	SRP	SRP RANGE	WINE LIST
KB Gap's Crown PN	750	6	\$588	\$441	\$165	\$140 - \$180	\$240 - \$299
KB Keefer Ranch PN	750	6	\$588	\$441	\$165	\$140 - \$180	\$240 - \$299
KB Cerise Vineyard PN	750	6	\$588	\$441	\$175	\$160 - \$199	\$260 - \$320

Coravin BTG Pricing

WINE	CORAVIN BTG	WINE LIST
KB One Sixteen CH	\$50	\$140 - 160
KB Russian River Valley PN	\$65	\$150 - \$199
KB Sonoma Coast PN	\$65	\$150 - \$199
KB Sta Rita Hills PN	\$65	\$150 - \$199

WINE	CORAVIN BTG	WINE LIST
KB Gap's Crown PN	\$80	\$240 - \$299
KB Keefer Ranch PN	\$80	\$240 - \$299
KB Cerise Vineyard PN	\$80	\$240 - \$299

Brand Standards Guidelines

WS Channel Mix Target - 90% On-Premise, 10% Off-Premise

Kosta Browne Brand Standards - Spring Releases

- 2017 Kosta Browne One Sixteen Russian River Chardonnay
- 2017 Kosta Browne Sta. Rita Hills Pinot Noir
- 2017 Kosta Browne Russian River Valley Pinot Noir
- 2017 Kosta Browne Sonoma Coast Pinot Noir

Examples of Incorrect Listings

- 2017 Kosta Browne Sta. Rita Hills Pinot Noir by Duckhorn
- 2017 KB Russian River Valley Pinot Noir

Signing Up New Members

Building the Kosta Browne Allocation List

Most wineries use DtC activity & marketing to support the Wholesale channel. Kosta Browne uniquely flips this model, successfully using the Wholesale channel to drive new member sign-ups for our allocation list, which generates the majority of our sales & revenue.

Driving new member consumer sign-ups is critical for Kosta Browne's growth and success.

- Kosta Browne New Member sign-up cards will be available on the POS Nest for ordering and use at appropriate events, meetings, etc.
- You are also encouraged to direct prospective members to the Kosta Browne website where they can sign-up by clicking *Join Us*.

The average waiting period before new signups receive access to an offering are as follows:

- 18 -24 months for the Appellation Series in the Spring offering
- 3 - 5 years for the Single Vineyard Grower Series in the Fall offering
- 4 - 8 years for the Single Vineyard Estate Series in the Summer offering
- 10 years+ for the famous "4 Barrel"

Thank You!

