

**DISTILLED
SPIRITS
COUNCIL
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STATES**

NEWS RELEASE

DISCUS is the trade association representing producers and marketers of distilled spirits sold in the United States.

Website: <http://www.distilledspirits.org>

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Distilled Spirits Industry Issues Semi-Annual Report on Alcohol Advertising Complaints

- Code, Review Board Process Cited As Model For Corporate America -

WASHINGTON, DC – The Distilled Spirits Council (DISCUS) today issued the second edition of its Semi-Annual Code Report detailing complaints about 17 alcohol advertisements, actions taken by the industry’s internal review board and the response by each advertiser. The Report covers Code complaints for the period of January 1, 2005 through June 30, 2005.

“Incorporating transparency into our Code review process is having an immediate and positive impact,” said DISCUS President Peter H. Cressy. “Our members continue to achieve 100% compliance and we are seeing a quicker response time and an increased compliance rate among non-members. American distillers, large and small, member and non-member, continue their commitment to adhering to a tough and effective advertising and marketing Code.”

Meanwhile, regulators, industry watchdogs and the media have taken notice of the distilled spirits industry’s approach to self-regulation, calling it a model for other industries, including food product manufacturers and the pharmaceutical industry.

The director of the Federal Trade Commission’s alcohol advertising program stated in a March 9, 2005, Washington Post article about the first Report that self-regulation permits the spirits companies to “address things that couldn’t be touched by a government agency because of the First Amendment.” The director commended the spirits industry’s self-regulatory efforts stating, “[t]his is a far step above and beyond what other companies are doing.”

It was also reported recently in Adweek that the pharmaceutical industry has looked to the DISCUS Code in developing their own self-regulatory advertising guidelines. Congressional Quarterly stated, “PhRMA is writing voluntary guidelines similar to those the liquor industry has had for years.”

And according to BusinessWeek, “[t]he DISCUS approach to revealing all its policing actions is a breath of fresh air that food companies might consider...”

“In an era where corporate responsibility is of great concern, our advertising Code with

its complaint review process is an example of how an industry can effectively regulate itself and raise public confidence,” said Cressy. “For decades the distilled spirits industry has effectively addressed complaints about spirits advertising but the decisions of the Code Review Board were not made public. We knew our process was effective but without transparency the rigor of the Board’s review process was not widely known or understood by the public.”

Unique among the beverage alcohol industry, the DISCUS 70-year-old Code of Responsible Practices for Beverage Alcohol Advertising and Marketing provides for a Code Review Board, comprised of senior member company representatives, that is charged with reviewing complaints about advertising and marketing materials in the marketplace. Additionally, the Code has an advisory board made up of outside independent experts from academia, government and broadcasting.

“We believe the Code Report is an important element of our longstanding corporate responsibility efforts,” said Cressy. “In addition to being one of the most highly-regulated industries in America, we hold ourselves to a standard higher than mandated by any law or regulation.”

Future public complaint reports will be issued semi-annually. To view the Report, go to www.distilledspirits.org. To view the DISCUS Code of Responsible Practices for Beverage Alcohol Advertising and Marketing, go to www.distilledspirits.org/industry/code/code.htm