

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 Third Public Report Detailing Recent Ad Complaints and New Ad Guidelines

-- New initiatives on unmeasured magazines, post audits and ad placements --

WASHINGTON, DC – The Distilled Spirits Council (DISCUS) announced several new media buying and ad placement updates to its advertising and marketing Code in the organization's third public report of advertising complaints released today.

The latest semi-annual public report details complaints about seven alcohol advertisements for the period of July 1, 2005 through December 31, 2005, as well as the actions taken by the industry's internal review board and the response by each advertiser.

"This most recent public report includes a number of new measures designed to further strengthen the Code and its guiding principle of responsible advertising directed to adults," said DISCUS President and CEO Peter Cressy.

The new measures highlighted in the report include:

- **Independent demographic survey of unmeasured magazines**
In response to a situation where conflicting demographic data (pg. 12, Code Report #1 <http://www.discus.org/pdf/SemiAnnualCode.pdf>) was provided to advertisers by the publisher of a magazine not measured by MRI or Simmons, the Board developed an initiative to require unmeasured magazines to furnish to potential beverage alcohol advertisers demographic survey data conducted by an independent third-party.
- **Semi-annual post audits of ad placements**
Placement guidelines now require, at a minimum, semi-annual post audits for advertisements placed or aired after Jan. 1, 2006 to verify past placements met the Code's 70% 21+ demographic standard. Previously, periodic audits were required.
- **Special bindings for school library copies of *Newsweek*, *People*, *Sports Illustrated*, *Time*, and *U.S. News & World Report***
Effective July 1, 2006, DISCUS members will instruct publishers to remove their ads from copies of these magazines intended for school libraries. In doing so, DISCUS member companies voluntarily will refrain from advertising on the inside and back

covers of all editions of these magazines (premium advertising space) if their covers cannot be segregated out for special bindings of school library copies.

The report also includes a section on recent Code Review Board activities, which highlights the Board's involvement in helping to stop irresponsible alcohol marketing campaigns by third parties, even if they fell outside the purview of the DISCUS Code. Among those highlighted in the report are:

- **Unauthorized R.J. Reynolds Promotion Condoning Excessive Drinking**
The Code Review Board received an inquiry from three State Attorneys General regarding a R.J. Reynolds tobacco promotion condoning excessive drinking that included the unauthorized use of liquor brands of DISCUS members. The Board thoroughly investigated the matter and learned that R.J. Reynolds never sought nor received permission from any member company to use their brand names or logos in the promotion. Both the Code Review Board and the Attorneys General condemned the unauthorized campaign. These joint efforts led to Reynolds' decision to end the promotion.
- **Third-party retail department store promotions/brand-logoed apparel**
The Board received several complaints about beverage alcohol brand-logoed t-shirts in retail department stores' "Back to School" advertising circulars, and a few inquiries about department stores' website displays and in-store t-shirt displays. While the actions of third-party retailers fall outside the scope of the Code, once our member companies learned of these placements, they contacted the department stores to obtain their assurances that such inappropriate placements would not occur in the future. Separately, our members have undertaken an in-depth review of the controls in their respective licensing agreements to help ensure that branded apparel are marketed to individuals of legal purchase age.

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.

The distilled spirits industry's approach to self-regulation, pointed to as a model for other industries by the Federal Trade Commission, has been commended on numerous occasions by regulators, industry watchdogs and the media.

To view the Report, go to: [www.....](http://www.discus.org/industry/code/) To view the DISCUS *Code of Responsible Practices for Beverage Alcohol Advertising and Marketing*, go to <http://www.discus.org/industry/code/>.