



BROWN-FORMAN

September 22, 2005

PAUL C. VARGA
CHIEF EXECUTIVE OFFICER

Ms. Laurie Leiber, Director
Media Advocacy
The Marin Institute
24 Belvedere Street
San Rafael, California 94901

Dear Ms. Leiber,

Thank you for your letter of August 25th which I recently received. Please be assured Brown-Forman Corporation in no manner condones underage drinking. We too are opposed to any form of marketing of beverage alcohol brands to those under the legal drinking age. Through our internal marketing and promotional guidelines, Brown-Forman works hard to ensure not only that our products are advertised through responsible messages, but that our advertisements are placed where the clear majority of viewers or readers are of legal drinking age.

Like you, we were disturbed to see the JC Penney advertising in the *San Francisco Chronicle* and on the JC Penney website. As soon as we learned of the matter, we contacted JC Penney and our licensed manufacturer of the t-shirts that were included in the advertisements. JC Penney shared our concerns with the advertisements and immediately removed the t-shirts from the website. JC Penney also immediately committed to review future print advertising. I hope you join me in commending the quick action taken by JC Penney. While I cannot speak for JC Penney, I do believe this matter has heightened its sensitivity in better managing advertisements of the products it sells.

You asked what measures Brown-Forman takes to ensure our licensed goods are sold in appropriate venues to those who may legally consume our products. Our license agreements contain provisions that delineate where the licensed items may be sold and where we do not want our items sold. For example, we do not approve sales to retail stores such as *Gadzook's* where there is a disproportionate customer base of those under the age of 21. Similarly, we require clothing items such as t-shirts to be sized for adults only and sold in adult clothing areas within a store. We are also introducing tags for our various clothing items that state the items may only be sold to those over the legal drinking age.

A very real example of our commitment to selling our products and licensed goods to those over the legal drinking age is evidenced in our recent involvement with NASCAR. Through our Jack Daniel's brand, Brown-Forman was the first beverage alcohol sponsor

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of a NASCAR team to limit sales of all licensed goods at the track to those over the age of 21. We take this responsibility seriously and we are proud of our actions which support this commitment.

While the JC Penney matter is unfortunate, it nevertheless reminds us of the need to periodically re-evaluate our various internal controls on our license agreements. You have my personal commitment that Brown-Forman will continue to work to improve how our licensed goods are sold and marketed only to consumers of legal drinking age.

Sincerely,



Paul C. Varga

cc: Lynne Omlie, DISCUS
Janet Evans, Federal Trade Commission