

CARU® NEWS

Immediate Release

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MGA, MATTEL PARTICIPATE IN CARU FORUM *CARU Reviews Advertising For MGA's 'Bratz Big Babyz'*

New York, NY – May 11, 2006 – The Children's Advertising Review Unit (CARU) of the Council of Better Business Bureaus, Inc., has recommended that MGA Entertainment, maker of "Big Bratz Babyz," modify its television advertising to delineate fantasy sequences and disclose that the dolls do not move on their own.

CARU, the children's advertising industry's self-regulatory forum, reviewed television advertising for the dolls following a challenge from Mattel, a competing toymaker.

At issue is a television advertisement entitled "Picnic," that features four dolls in the Bratz Big Babyz line, incorporates fantasy sequences that depict the dolls moving without assistance and depicts within the advertisement playthings – including a cake and a camera -- that are not sold with the dolls.

Following its review of the evidence, CARU determined that MGA adequately disclosed which toys are included in an initial purchase.

CARU recommended that MGA modify its advertising to include an "audio disclosure that the toy does not move on its own." Further, CARU recommended the advertiser take care to clearly delineate fantasy sequences and product demonstration.

CARU notes in its decision that that "advertising should clearly disclose the use of human hands manipulating stationary dolls so that a child is not led to believe that such dolls can move or perform activities on their own. In addition, CARU has required that advertisers include hands-on actual product play in a majority of scenes, as well as a clear separation of fantasy segments from actual play footage."

The commercial did feature many hands-on scenes, the decision states. However, two separate scenes within the commercial depict a doll either moving unassisted or holding objects unassisted.

"Here MGA has created footage with entertainment value, but not actual product functionality. Such 'entertainment scenes' tread on a grey area between fantasy and actual product presentation," the decision states.

MGA, in its advertiser's statement, said the advertising at issue is no longer being aired.

"Although MGA disagrees with other portions of CARU's decision, believing that the commercials do not lead to any mistaken impression as to the dolls' capabilities, MGA will take

CARU's position into account should it in the future decide to air commercials for the Bratz Big Babyz product line," the company said.

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The National Advertising Review Council (NARC) was formed in 1971 by the Association of National Advertisers, Inc. (ANA), the American Association of Advertising Agencies, Inc. (AAAA), the American Advertising Federation, Inc. (AAF), and the Council of Better Business Bureaus, Inc. (CBBB). Its purpose is to foster truth and accuracy in national advertising through voluntary self-regulation. NARC is the body that establishes the policies and procedures for the CBBB's National Advertising Division (NAD) and Children's Advertising Review Unit (CARU), as well as for the National Advertising Review Board (NARB).

NAD and CARU are the investigative arms of the advertising industry's voluntary self-regulation program. Their casework results from competitive challenges from other advertisers, and also from self-monitoring traditional and new media. The National Advertising Review Board (NARB), the appeals body, is a peer group from which ad-hoc panels are selected to adjudicate those cases that are not resolved at the NAD/CARU level. This unique, self-regulatory system is funded entirely by the business community; CARU is financed by the children's advertising industry, while NAD/NARC/NARB's sole source of funding is derived from membership fees paid to the CBBB. For more information about advertising self regulation, please visit www.narcpartners.org.