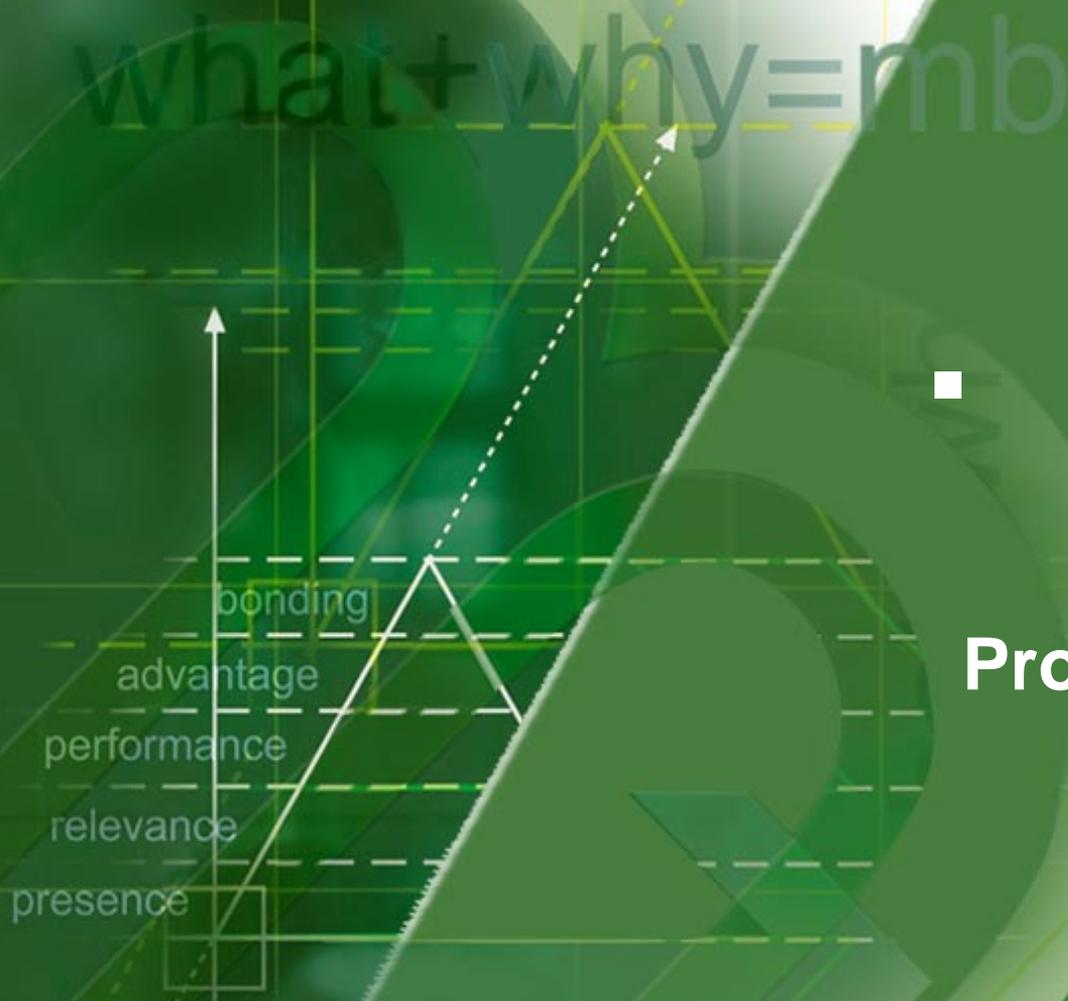


United States Army



Prospects and Influencers Q3 2004



Methodology

WHO?

- Prospects

- 16-24 year olds
- Never served in the military or been in a service academy
- If in school, must be at least a HS student, but not in graduate school
- If not in school, must have a HS degree or equivalent
- 70% must have positive propensity to serve in the military in the next few years

HOW MANY?

- 60 telephone interviews per week, 780 in Q3 period

WHO?

- Influencers

- Parents of children aged 16 - 24 who meet the same qualifications as above
- Median age range: 43-51 years old

HOW MANY?

- 40 telephone interviews per week, 520 in Q3 period

WHEN?

- Ongoing from January 14, 2001 – July 3, 2004
- Q3 2004 covers April 4 - July 3, 2004





Objectives of Analysis

- **With the increased casualty rate in April and the prisoner abuse scandal in May / June, military news coverage this spring was quite negative, particularly for the Army.**
 - ↪ **Given this, how are perceptions of and attitudes toward the military holding up**
 - among Influencers?
 - among Prospects?

- **The Army's share of female accessions has been declining. What insights can the tracking data provide?**

- **How has the advertising performed in this environment?**
 - ↪ **What about the website?**





Management Summary

Have Prospects' perceptions been impacted?

- **With events in Iraq so heavily covered in the media during Q3, young adults took more notice of the situation and seemed to have been negatively impacted.**

↪ **Although not statistically significantly, propensity declined due primarily to increased objections to events in Iraq.**

- **Reasons for not considering military service are increasingly based on objections to the Iraq situation and aversion to the military.**

↪ **The Army, in particular, was affected from negative news coverage.**

- **Mention of the Army as the service of choice has declined to it's lowest level.**
- **Young adults, including those who are more propensed, are seeing less benefits from enlisting in the Army.**
- **Combat-related barriers have increased over the course of the year.**





Why are females accessing the Army at a lower rate?

- Propensity has declined among females this quarter.
- Reasons why females historically considered joining the military are becoming less important.
- Over time, females are seeing less benefits to joining the Army and more barriers, particularly combat-related reasons.
- Consequently, interest in the Army as first choice has dropped.





Management Summary (cont'd)

How has the recent advertising performed?

- In Q3, the Army had less advertising support.
- Despite less support, young adults claimed to have noticed more advertising for the Army. However, this is true for all services.
 - ↪ Awareness could have been heightened by media coverage surrounding the situation overseas.
- Although more prospects claimed to have seen Army advertising, they did not playback specifics of the new ads.
- They did, however, take more notice of cinema advertising this quarter.

What about the website?

- Awareness of GoArmy.com has continued to increase during the last six months.
 - ↪ A strong web site related call to action featured in the 2400/7 series contributed to the recovery in awareness levels relative to the previous six months.
 - ↪ Like advertising, awareness of all military web sites increased, perhaps as a result of the intense media coverage of the military in general.
 - ↪ Claimed visitation to GoArmy.com also rebounded to levels achieved previously after the low level registered during the second half of 2003.
 - ↪ While most of the appeal ratings are flat over time, recently more prospects are not viewing the site as “cool” or as “fun” as before. The recent launch of the site re-architecture is expected to improve this.





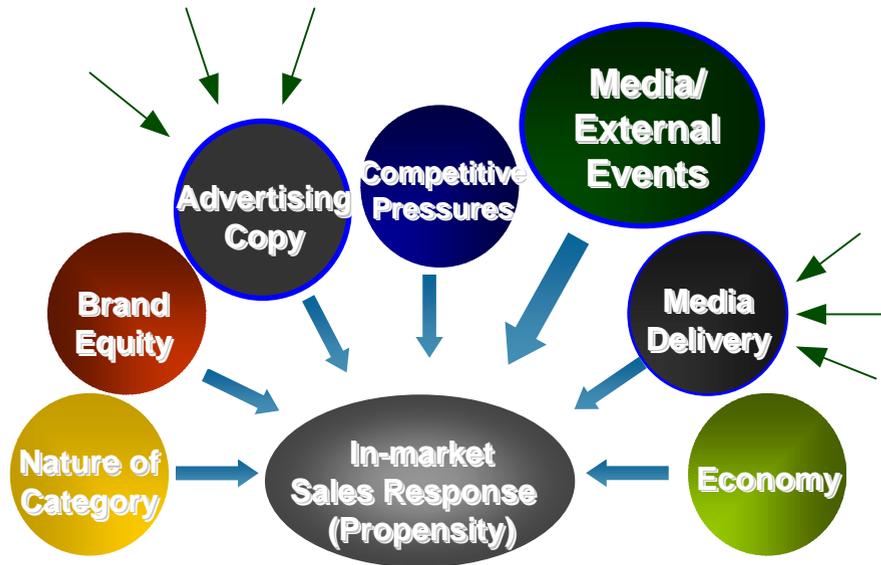
Management Summary (cont'd)

What are Parents' current perceptions of the military?

- **Positive perceptions of the military are showing some vulnerability this quarter, apparently driven by more objections to the Iraq situation.**
 - ↪ **Opposition to the child's military service is increasing significantly among both moms and dads .**
 - ↪ **Motivators for the Army and Marines have declined, specifically in the month of June.**
 - ↪ **Combat-related barriers have increased for both the Army and Marines throughout 2004.**
 - **The Air Force and Navy continue to benefit from their perceived safety.**
- **With limited advertising support, it was difficult for parents to take notice of Army advertising targeted to them. Additionally, the 'Conversations' series did not communicate strong reasons to support Army service sufficiently to counteract the continued slew of negative news.**



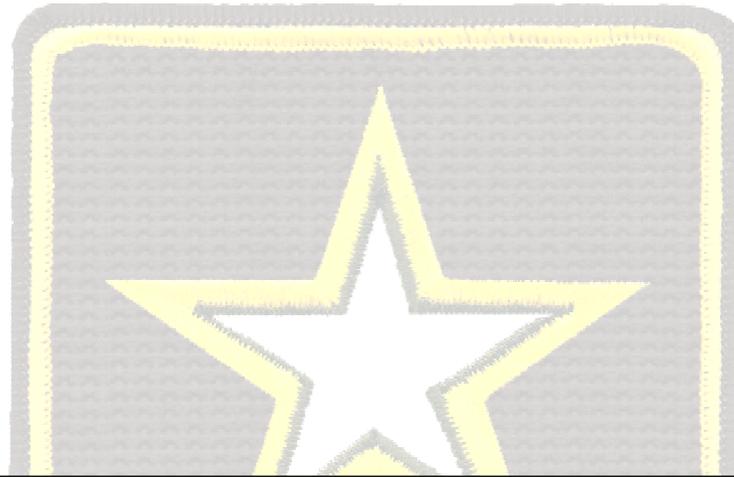
Implications



- Many factors can impact propensity, but lately the Iraq situation has had a greater impact. Advertising (copy quality and media delivery) is something the Army can control in this environment.

- **Negative news has and will likely continue:** Abu Ghraib investigations, sustained insurgency in Iraq, additional American casualties, Army's recruiting/retention policy changes, etc. creating a very challenging recruiting environment.
- **The following are some factors to consider:**
 - ↪ MB research has found that to positively impact communication measures, advertising support should be at least 65 TRPs per week per ad. While the Army currently has well beyond 65 TRP's per week in total, these get spread across several ads thereby weakening the ability of each individual ad to register effectively.
- **Given parents' favorability is declining, it is important to continue advertising to them.**
 - ↪ Since their favorability is impacted by the Iraq situation, it could be beneficial to communicate the multiple concrete ways their child would benefit from being a Soldier.
- **Consider developing female-targeted advertising to address their declining interest in the Army.**
 - ↪ Particularly incorporate the tangible benefits available through the Army.





How were Prospects' perceptions of the military impacted by events ?





With news of record high number of American casualties in April and the Abu Ghraib scandal in May, prospects seem to have followed the Iraq situation more closely this spring than in the preceding months.

Knowledge of developments in Iraq

	Prospects				
	3/20-5/3/03*	Q4 '03**	Q1 '04	Q2 '04	Q3 '04***
	A	B	C	D	E
	%	%	%	%	%
Top 2 box	<u>94</u>	<u>61</u>	<u>64</u>	<u>65</u>	<u>72</u>
Very informed	43	18	20	18	30
Somewhat informed	51	43	44	47	42
Only slightly informed	NA	28	28	29	23
Not at all informed	NA	11 CD	7	6	5
Base: Total/asked	(390)	(611)	(724)	(782)	(555)

***Data from 5/2/04. Questions not asked in April 2004

*Q.20E: How informed are you about the developments of the U.S. war with Iraq? Would you say you are...?

**Q.20H: How informed are you about the developments of the post-war situation in Iraq? Would you say you are...? **Data starting 7/20/03.

***Q.20N: How informed are you about the developments in Iraq recently? Would you say you are...?



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They have also grown more concerned about the casualty rate.



Acceptability of U.S. casualties

	Prospects			
	Q4 '03*	Q1 '04	Q2 '04	Q3 '04**
	A	B	C	D
	%	%	%	%
Acceptable	55 BCD	49	49	44
Unacceptable	40	45	46 A	50 A
No opinion	3	5	3	4
Base: Informed about developments in Iraq/asked	(542)	(670)	(733)	(525)

**Data from 5/2/04. Questions not asked in April 2004

*Data starting 7/20/03.

A/B/C/D = Statistically significant at the 95% confidence level.

Q.20P: So far in your opinion, has the number of U.S. military casualties in Iraq been...?

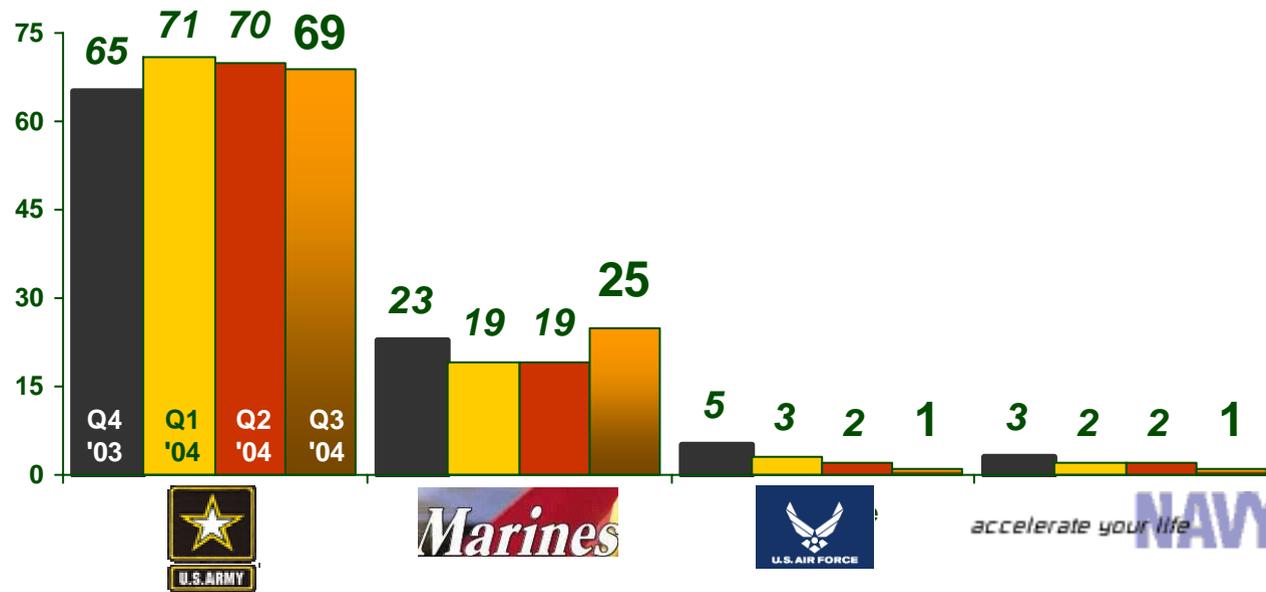


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Prospects correctly perceive the continued involvement of the Army and the increasing involvement of the Marines in Iraq.

Service perceived as most involved Prospects



*Data starting 7/20/03.

Q.20L: Which service of the military do you think is the most involved now in post-war Iraq?

Q.20R: Which service of the military do you think is the most involved now in Iraq?

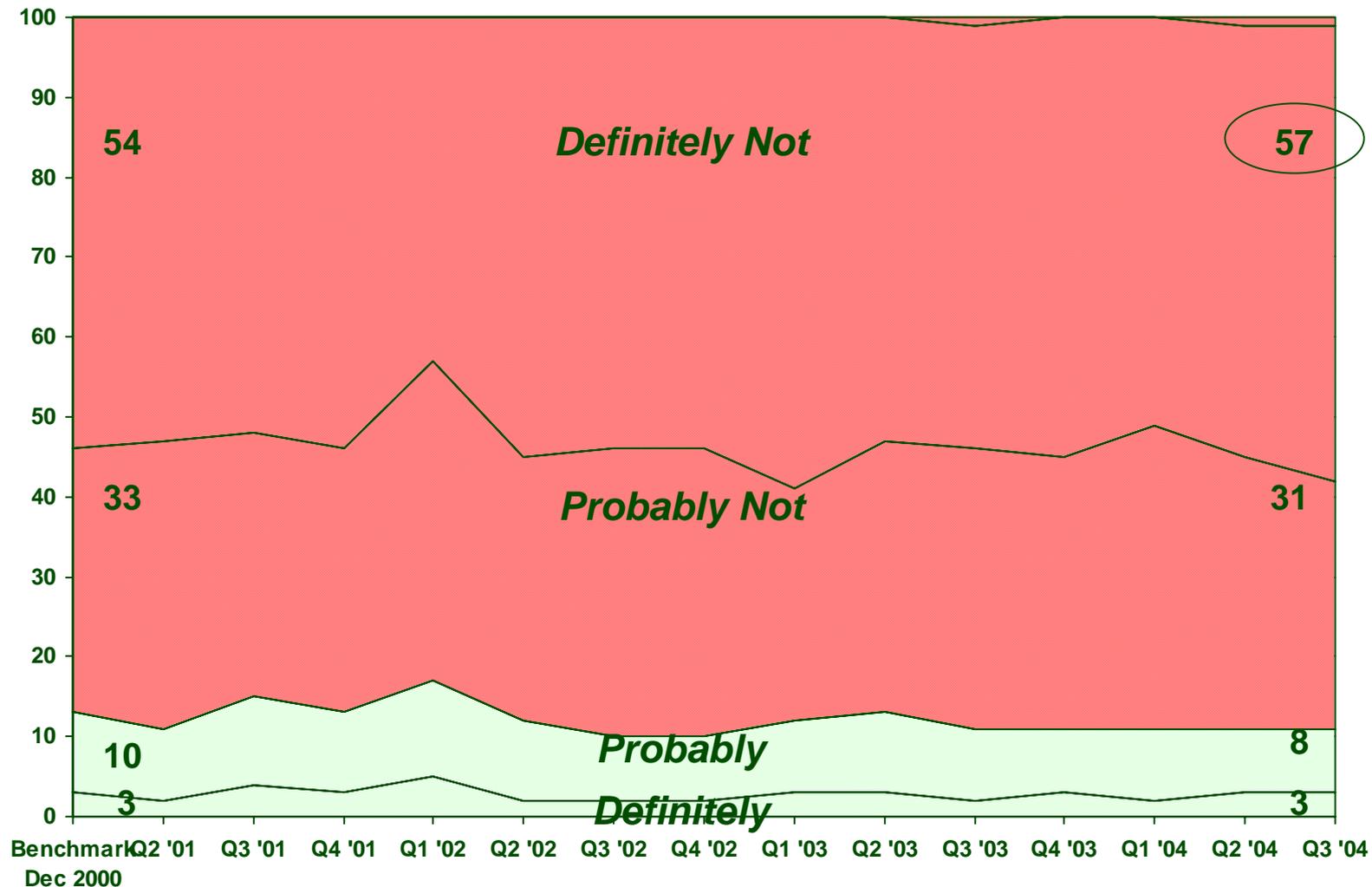




These factors along with other environmental forces likely contributed to the slight increase in 'definitely will not be serving' among the general population.

↪ Though, among the most propensed target, service likelihood is unchanged.

Military propensity among total contacted Prospects



**% Pt.
Change:**

+3

-2

-2

NC



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In addition to tangible benefits and patriotism, image related reasons for considering the military were mentioned at higher levels this period.

Reasons for being propensed - Prospects

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Tangible benefits	62 E	56	53	44	56	51	53	56	54
Economic reasons	39 C	36	24	32	38 C	39 C	35	46 CD	38 C
Monetary reasons	33 C	36 C	20	26	34 C	28	22	37 CG	26
Money for college	30	31	19	24	29	25	18	31	22
Good pay	1	-	1	2	4	1	2	2	2
Money/to make money	2	4	-	2	3	2	2	6	3
Job security	6	1	1	2	2	5	8	2	6
Job/employment	3	-	3	4 A	4	10 B	11 AB	16 ABCDE	9 AB
Job skills/training	26 I	27 I	27 HI	21	26 I	18	21	16	12
Job skills	25 I	26 I	26	21	25 I	17	21	16	12
Travel	10	11	11	5	10	5	10	5	10
Patriotism	25	36	29	46 ACFH	35	28	34	28	35
Serve/fight for my country	18	27	19	37 ACF	34 AC	24	32 A	25	32 AC
Protect the country/defeat terrorism/feel safe again	6 H	6 H	9 EGH	7	1	5	1	-	3
We are at war/potential of war	-	-	2	6	-	-	2	1	-
Image	13	17	13	20	15	18	15	10	22 H
Better yourself	3	7	4	8 E	1	7 E	4	3	5
Good experience	3	-	1	2	4	3	2	1	1
Learn leadership skills	3	-	1	-	2	2	3	1	2
Challenge	1	3	2	1	1	1	3	2	3
Helps you grow up/mature/gives you direction	1	6	3	4	6	6	2	1	3
Learn/they teach discipline	2	4	3	4	1	1	4	3	1
Looks fun/exciting	-	-	-	-	-	-	-	-	5
No other choice/nothing else to do	3	-	-	-	2	3	3	2	1

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.

Q.18A: Please tell me the most important reasons you are considering serving in the military.





Young adults' reasons for not wanting to serve are increasingly due to objections to the war and aversion to the military in this environment.

Reasons for not being propensed - Prospects

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A %	B %	C %	D %	E %	F %	G %	H %	I %
Established	71 FGI	72 FGI	68	65	67	62	63	66	64
Continuing/finishing education	42 CEF GHI	43 C FGH	35	38	37	35	34	35	37
Going to/started college	42 CEF GHI	43 CEF GHI	35 F GHI	38 F GHI	33 F GHI	25	25	27	26
Need to finish school/HS	-	-	-	-	1	-	2	1	1
Family/don't want to be away	14	12	12	11	14	11	12	13	12
Want to get/started a career	11	12	14	13	19 ABCDHI	17 AI	17 AI	13	11
Prefer something else	9	10	9	10	11	12	11	16 ABCDEFG	17 ABCDEFG
Objections	9	7	12 B	15 AB	14 AB	12 B	14 AB	14 AB	17 ABCF
Don't want to go/believe in war	4	3	5	6	5	5	6 B	5	5
Don't want to die	4	3	5	5	4	3	4	5	6 ABF
Just doesn't appeal/not a military person	10	10	13	13	12	19 ABCDEHI	18 ABCDE	14 A	14
Health reasons	7	13 ACDFGI	7	8 G	11 ACGI	8	5	9 G	6

- "Don't want to give my life up. Don't want to die."
- "Not the kind of person that would join. Don't want to put my life in danger."
- "I wouldn't join because it's not my style. I don't want to die."

- "Because of the war going on and the controversy."
- "I don't want to fight for something I don't believe in."
- "I don't believe in it. I don't believe in killing people. I don't believe in what our country is doing now."

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.
 Q.18B: Please tell me the most important reasons you will likely not be serving in the military.



On an aided basis, the propensed group feels the Army offers less benefits overall.

↪ This is not true for the other services.

Benefits of joining the Army - Top 3 box Prospects - Top 2 box propensed

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A %	B %	C %	D %	E %	F %	G %	H %	I %
Develop personal values and qualities	85	83	82*	77 ⁺	85 ⁺ I	77 ⁺	76 ⁺	81 ⁺	72 ⁺ ↓
Something you'll be proud of	91	83	79	85	87	90 CHI	89	80	80
Mentally challenging	82	67	71	75	78	74	72	75	68 ↓
Training in specific job skills	NA	NA	NA	NA	NA	74	79	80	71
Get job security	75	65	69	69	75	73	71	72	67
Get high tech training	80	71	72	72	77	74	72	80	69 ↓
Be part of a strong team	96 BCDEFGI	84	82	84	84	84	82	88	78 ↓
Defend/serve country	91	85	85	87	86	87	88	89	88
Have a personal life	55	48	51	49	47	48	48	46	46
Get money for college	91 CE	80	76	82	75	86	87	82	78
Signing bonus	81 HI	71	68	69	70	77 HI	73	63	62 ↓
Develop valuable skills that will help get a good job	84	72	75	81	78	76	75	83	75
Opportunity to travel	77	64	74	76	75	67	68	76	65
Develop leadership skills	NA	NA	NA	78	80	76	78	80	74
Average	82	72	74	76	76	76	76	77	71 ↓

*Data for Q1 '03 through 12/7/02 only due to slight wording change.

*Data not directly comparable to Q2 '02 – Q1 '03 due to wording change.

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.

Q.11A: To what extent do you agree or disagree that joining the (service) would allow you to (statement)?



And, combat-related barriers are increasing.

↳ Barriers to joining the other services are fairly constant.



Barriers to joining the Army – Top 3 box Prospects

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Too physically demanding	20	22	21	22	19	26 AEHI	22	18	20
Putting plans on hold	44	40	39	44	41	41	40	40	42
Friends would disapprove	14	16 H	13	19 CFHI	15	14	17 CH	11	14
People there wouldn't be like you	17	17	16	18 H	17	19 HI	19 H	13	14
Too long commitment	31	32	29	31	29	31	27	30	31
Miss your home and family	42	45	46	44	51 ABD	47	51 ABD	52 ABD	50 AD
Loss of personal freedom	32	31	29	33	32	31	31	31	34
Loss of a normal lifestyle	35	33	33	33	33	33	33	33	37
Not develop yourself personally	12	12	11	14	14	13	13	14	14
Interrupt your education	32	31	32	35	35	34	31	31	35
Wouldn't get the newest technological training	8	10	9	10	11	12 A	11	10	9
Risk of serious injury/death	27	32	28	33 AC	32	33	32	30	35 ACH
Wouldn't develop skills that would help get a good job	12	10	12	12	12	14 I	13 I	10	9
More likely to end up in combat*	30	36	32	38 ACH	37 ACH	35	38 ACH	31	38 ACH
You may have to kill people	NA	NA	NA	NA	NA	41	43	42	49 FGH
Average	25	26	25	28	27	28	28	26	29

These barriers are increasing noticeably in June 2004

*Slight wording change in Q4 '03

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level

Q.12A: To what extent do you agree or disagree that joining the (service) would mean/be (statement)?



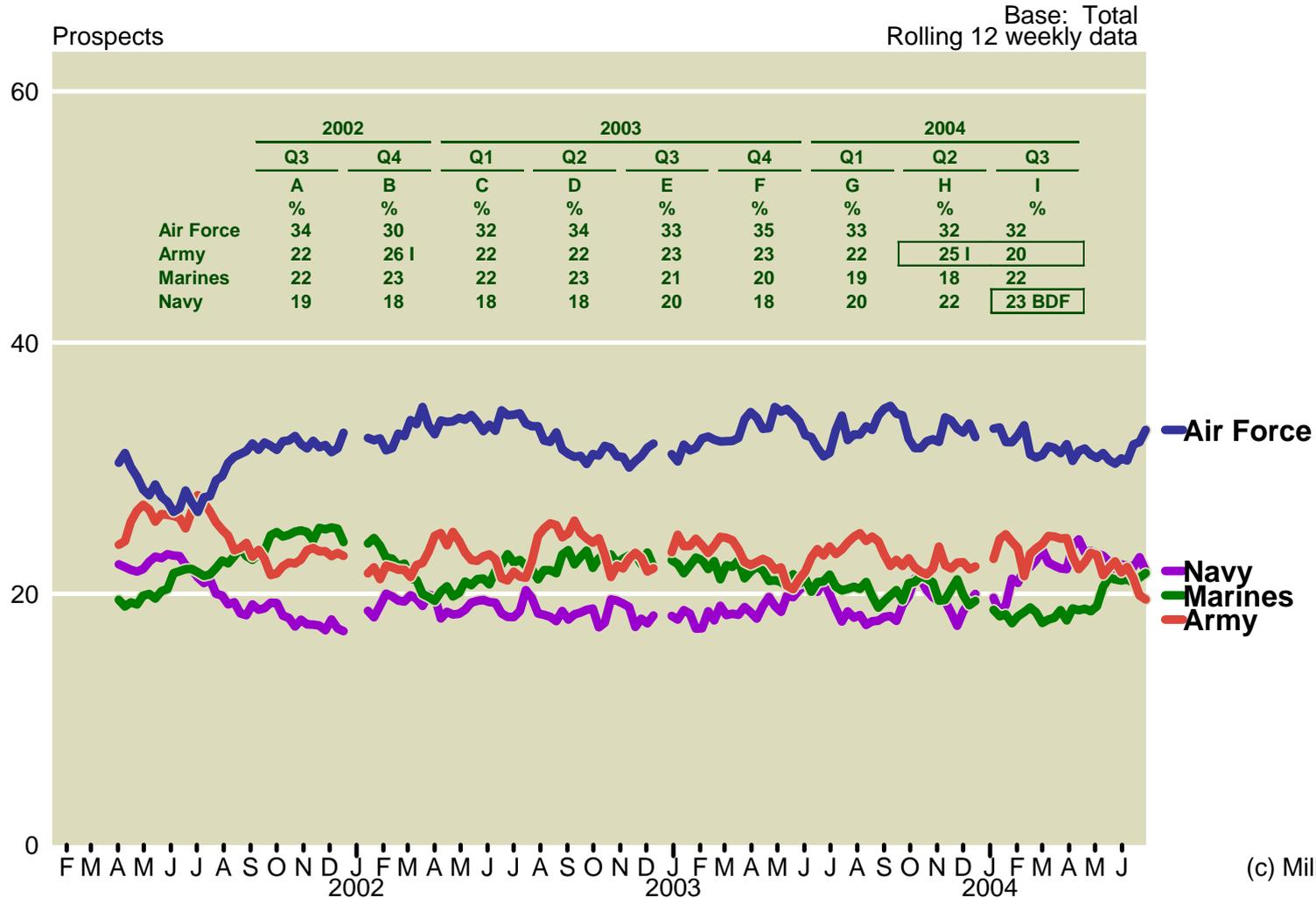
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Recently prospects are waffling more on their choice of military branch.

↪ The Army experiences a decline in 1st choice while the Navy gains ground versus 2002/early 2003.

U.S. Military - 1st Choice For Service



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A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.



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Prospects are choosing the Army less on the basis of getting job skills and training despite advertising efforts to communicate this.

Why Army? - Prospects

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Heritage/familiarity (net)	37	33	31	33	28	32	31	37	36
Family member served	20	14	17	18	17	18	16	18	17
Have friends in it	6	9 C	2	5	7 C	8 C	8 C	10 C	9 C
Already know about it	13 E	11	12 E	12 E	5	9	9	13 E	16 E
Benefits (net)	27	32 F	30 F	30 F	25	19	22	24	23
Want to stay on land	15 F	11	12	14	11	7	12	10	8
Offers jobs that I want to do	-	-	-	-	4	4	2	4	5
Offers better career opportunities	-	-	-	-	1	3	1	1	1
Money for college	2	3	1	4	1	2	1	2	3
Learn more training/skills	7 I	13 FGHI	14 AEF GHI	8 GI	6	2	2	5	1
Image (net)	13	16	18	13	25 ADF	15	15	22 AD	17
Easy/less demanding	4	5	4	5	7	3	3	6	5
Would be an adventure/challenge	2	3	3	-	1	2	1	1	2
Heard good thing	-	-	2	2	3	4	1	7 G	3
Looks fun/exciting	2	1	4	2	3	3	2	2	3
Want to fight /see action	3	2	2	3	2	3	1	2	3
I always liked them the most	9 D	4	4	3	7	9	7	11 BCD	7
Don't know why	13	14	12	12	12	20	11	12	15
Base: Asked why service is first choice	(212)	(141)	(154)	(168)	(196)	(179)	(161)	(194)	(155)

- "I like the program that they have and the Marines is too physically demanding."
- "Because I have a lot of friends in the Army."

- "Because my dad was in the Army and I want to follow in his footsteps."
- "Because it seems like you need less training. It seems you would learn more general information about like combat and the Army itself."

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.
 Q.15A: You mentioned (service) would be your first choice. Why do you say that?



Also, among propensed prospects, the Army's appeal has declined.

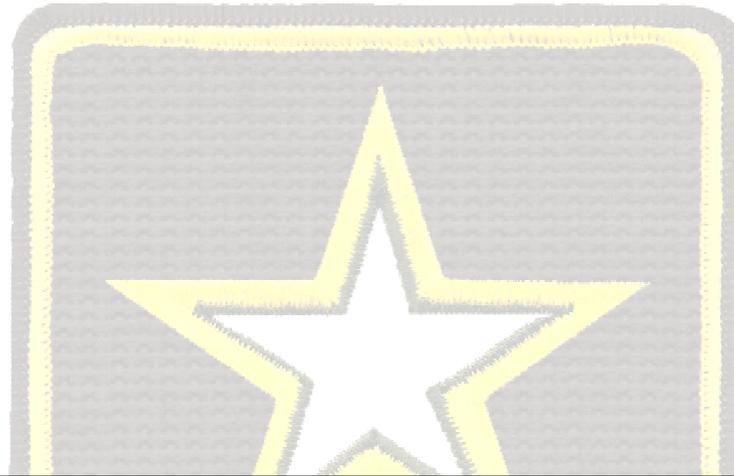
**First choice for service – Prospects
Top 2 box propensed**

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Army	28	29	24	33	30	33	29	37 CI ↑	22 ↓
Air Force	28	29	32	21	32	33	32	20	31
Marines	26	26	24	23	20	21	21	21	20
Navy	18	14	15	23 F	16	10	18	20	24 F ↑

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.

Q.15: Thinking about the four major services, which one would be your first choice?





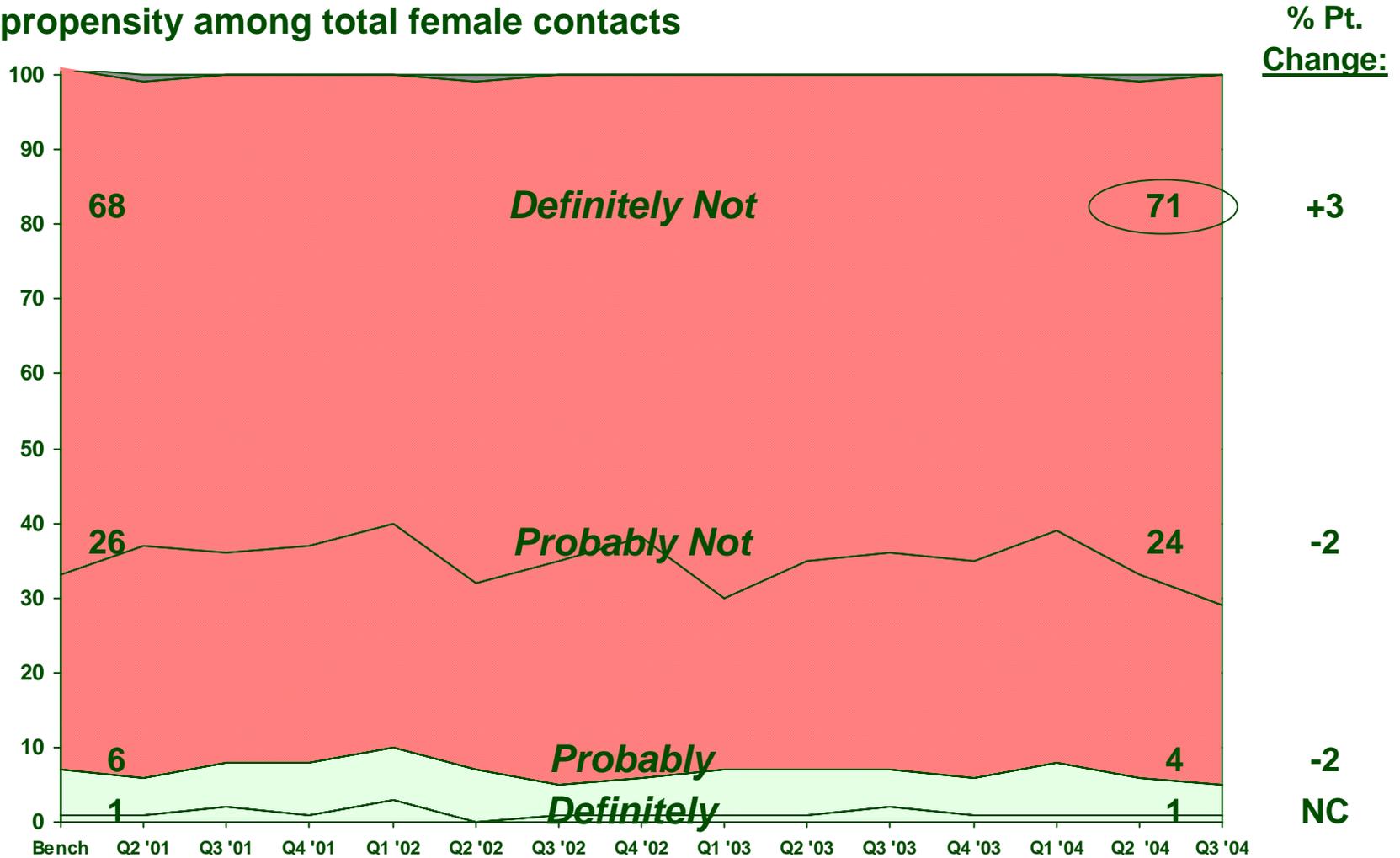
Will weakening perceptions and attitudes among females impact their rate of accession?





Military propensity is fairly flat among males, but appears to be slipping among females.

Military propensity among total female contacts





Males and females cite similar reasons for not wanting to join the military.

Reasons for not being propensed – Prospects Males vs. Females

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A %	B %	C %	D %	E %	F %	G %	H %	I %
Prefer something else									
Males	9	11	10	10	11	13	10	17 ACDEG	17 ACDEG
Females	7	9	7	9	11	11	14 AC	16 ABCD	16 ABCD
Objections									
Males	9	7	11	13 B	12	11	12	13	17 AB
Females	10	8	13	18 AB	18 AB	13	17 AB	16 AB	17 AB
Just doesn't appeal									
Males	9	9	12	11	11	18 ABDEH	17 ABDEH	11	12
Females	14	13	14	17	15	23 ABCE	20 AB	21 ABC	17

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.

Q.18B: Please tell me the most important reasons you will likely not be serving in the military.



But their reasons for joining differ slightly.

- ↪ Females are more motivated by tangible/rational benefits.



Reasons for being propensed – Prospects

Males vs. Females

Q2 2002 – Q3 2004

	Males	Females
Top motivator	Benefits - Particularly: - Money - Job skills/training	Benefits (significantly stronger among females) - Particularly: - Money - Travel
Second tier	Patriotism	Patriotism
Other motivators	Image (bettering self) Childhood dream/aspiration	

Q.18A: Please tell me the most important reasons you are considering serving in the military.

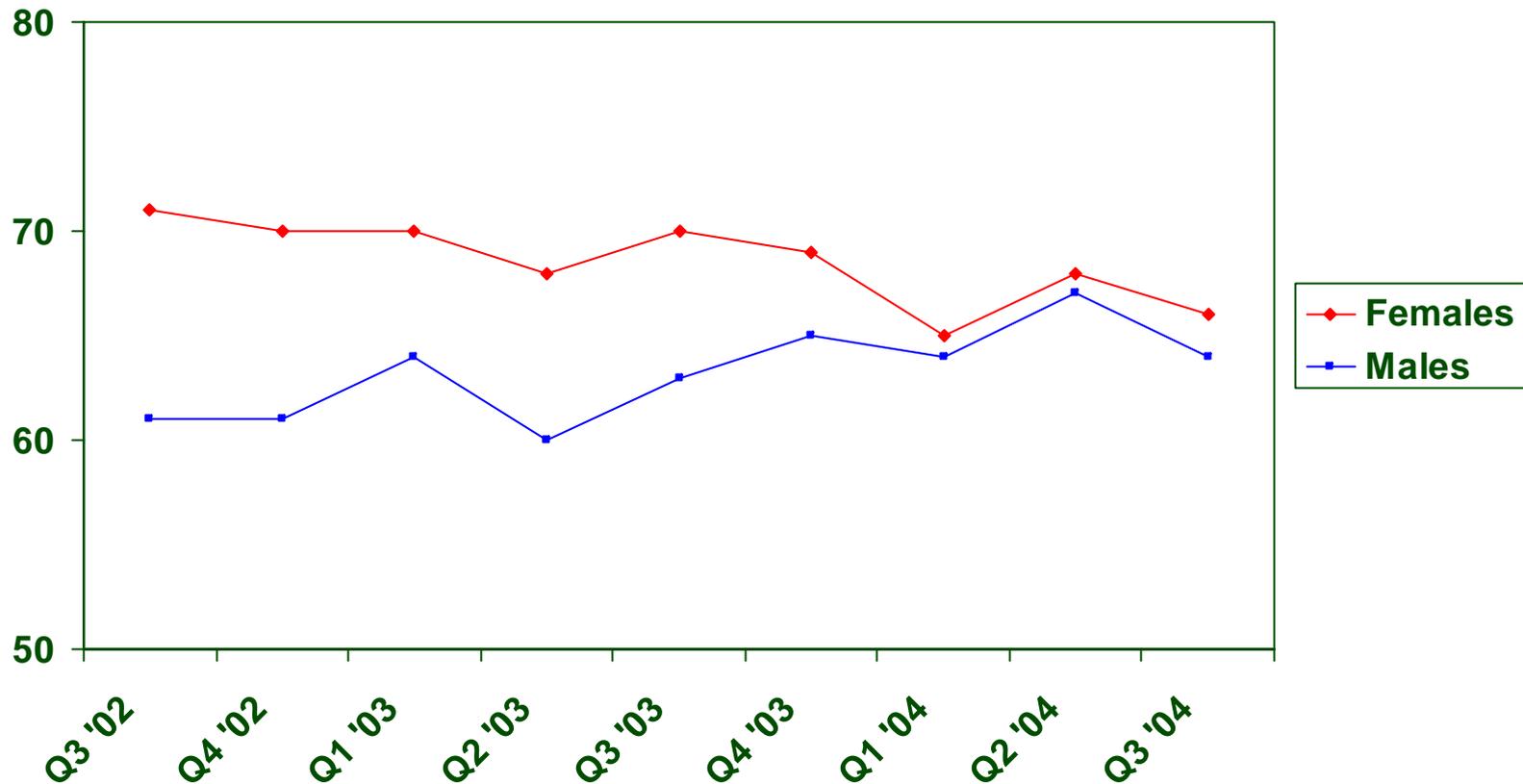


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Historically, females associated more benefits with joining the Army, but the gap is narrowing.



Average benefit of joining the Army - Top 3 box - Prospects Males vs. Females



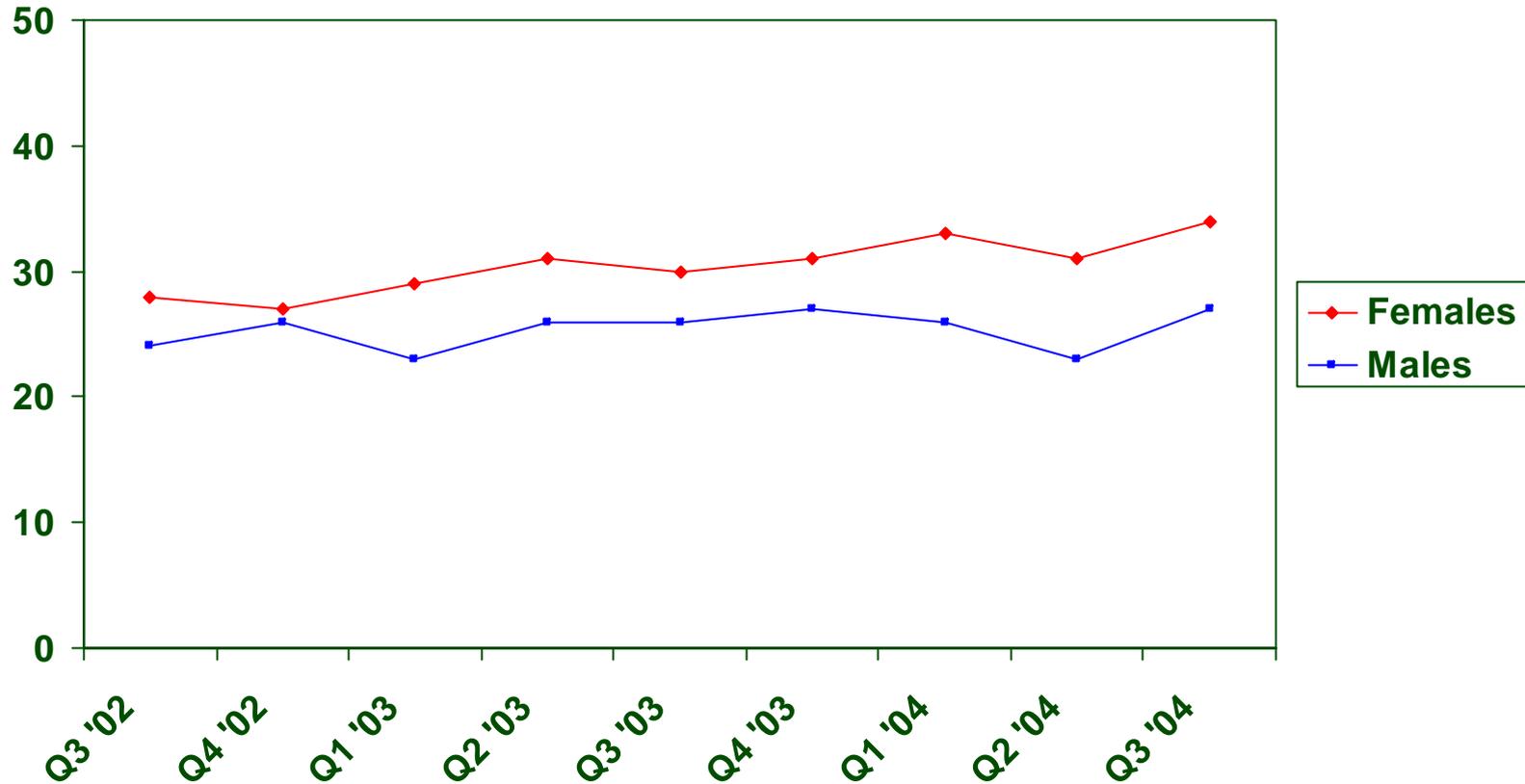
Q.11A: To what extent do you agree or disagree that joining the (service) would allow you to (statement)?



Females are also acknowledging slightly more barriers to the Army.



Average barrier to joining the Army - Top 3 box - Prospects Males vs. Females



Q.11A: To what extent do you agree or disagree that joining the (service) would allow you to (statement)?



While it may be expected that females find different barriers than males, they are increasing over time in combat-related barriers.



Barriers to joining the Army - Top 3 box Prospects – Q3 2004

	Male	Female
	A	B
	%	%
Too physically demanding	14	35 A
Putting plans on hold	42	44
Friends would disapprove	13	16
People there wouldn't be like you	14	15
Too long commitment	29	37 A
Miss home and family	43	68 A
Loss of personal freedom	32	39
Loss of normal lifestyle	35	39
Not develop yourself personally	13	15
Interrupt your education	33	39
Wouldn't get the newest technological training	10	8
Risk of serious injury/death	31	45 A
Wouldn't develop skills that would help get a good job	9	10
More likely to end up in combat	36	42
You may have to kill people	48	51
Average	27	34

Increasing over time for females

A/B = Statistically significant at the 95% confidence level.

Q.12A: To what extent do you agree or disagree that joining the (service) would mean/be (statement)?



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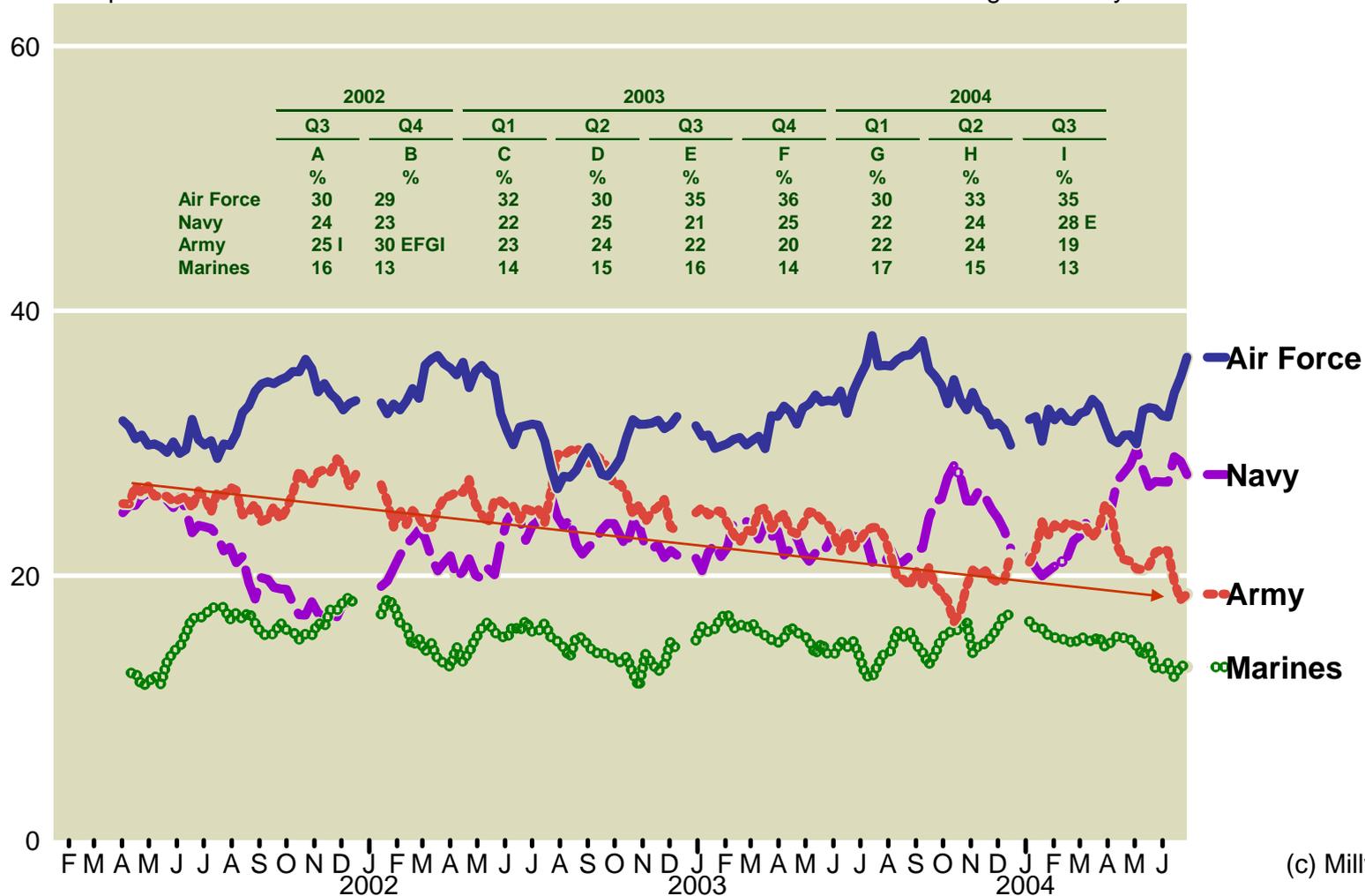


All of this contributes to a decline in females choosing the Army.

U.S. Military - 1st Choice For Service

Prospects - Females

Base: Total
Rolling 12 weekly data



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A/B/C/D/E/F/G/H/I= Statistically significant at the 95% confidence level.



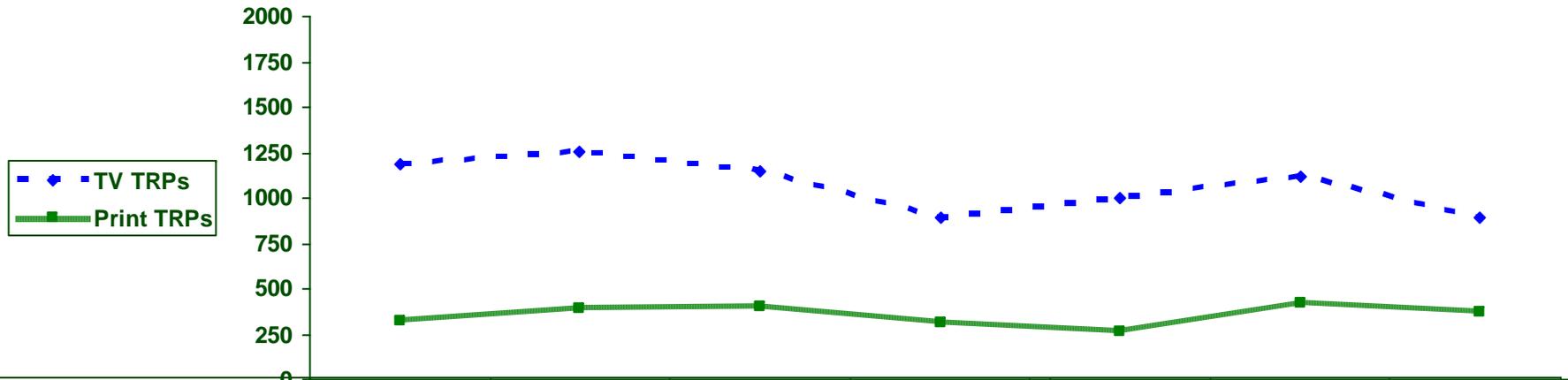
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How has the recent advertising performed?



The Army had less advertising activity in Q3, with most TV support behind ads that have aired before ('2400/7,' 'Legions', 'Made Of').

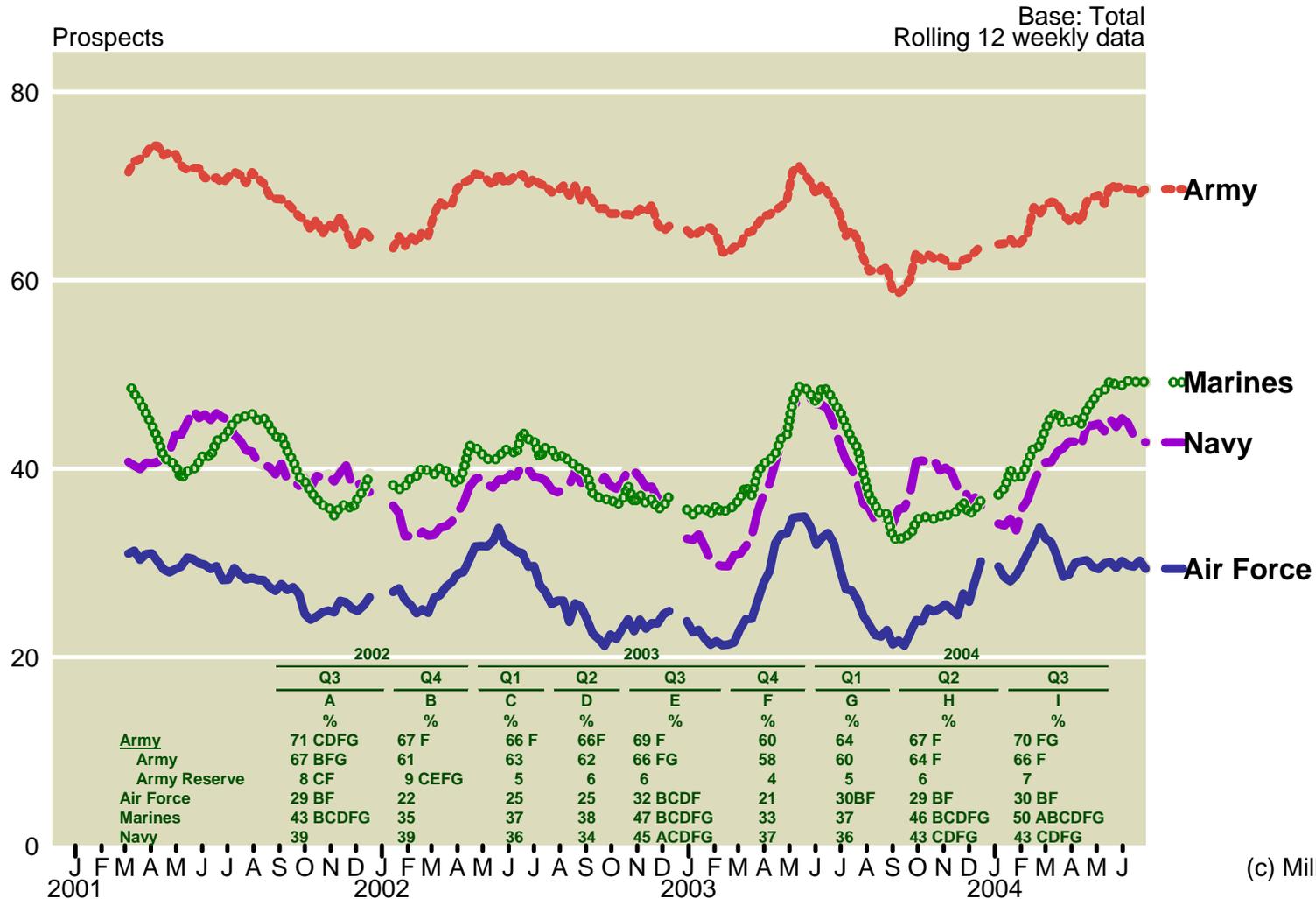


TRPs (Males 18-24)	2003				2004		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
TV	1183	1255	1150	894	1000	1117	896
Cinema	19	16	18	24	19	16	23
Print	322	396	399	316	269	417	377
	%	%	%	%	%	%	%
Cable	72	69	74	73	70	70	74
Syndication	-	-	-	-	1	1	1
Primetime/network	9	11	13	12	9	9	10
Sports (includes cable sports)	19	20	13	15	20	20	15
'Made Of'	29	32	4	5			
'Ice Soldier'	24	20	4	5			
'Coming Home'	29	27					
'Legions'	18	19	18	2			
'Generations'			18				
'Generations II'			18	5			
'Creed'		2	22		1		
'Victors'			7				
'Ready'			9	17	1		
'Make a Difference'				53	4		
'2400/7 True Stories' (Teaser)				13	26		
'Fire in the Hole' (Leaper)					19		
'Fasten Your Seatbelts' (Alexander)					22		
'The Doctor' (Lussier)					21		
'Protect and Defend' (Abreu)					6	20	
'Success Story' (Koryavych)						24	
'Final Mission' (Mastrodomenico)						24	
'Led the Way'/'38 Men' (Walker)						21	
Influencer Ads						10	3
'Currently'							17
'Best of' 2400/7 ads							44
'Legions'/'Made of'							36



Even with less paid for advertising in Q3, young adults claimed to have seen or heard more about all military services. Since this is true of all services, it is likely somewhat driven by news coverage.

Unaided Ad Awareness - Total Mentions



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101390 AWR301

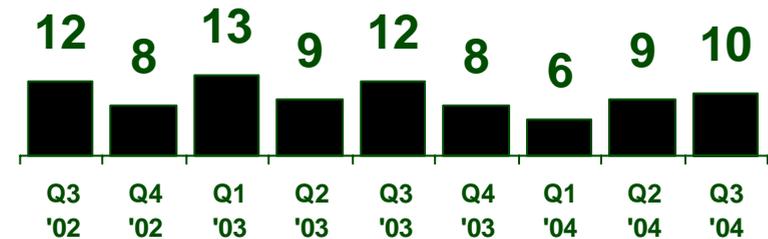
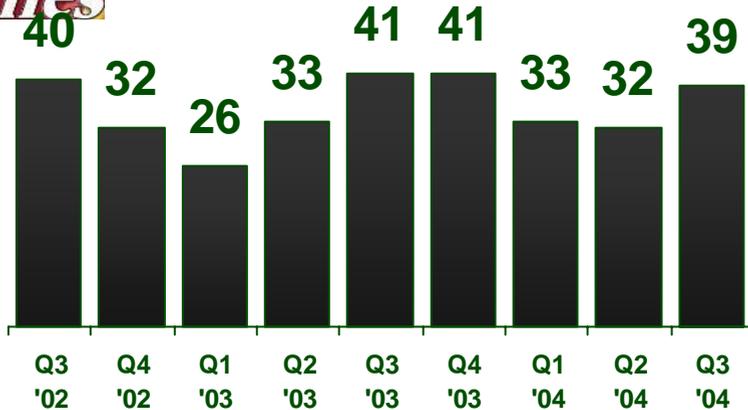
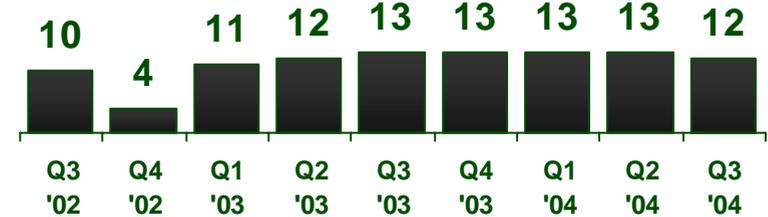
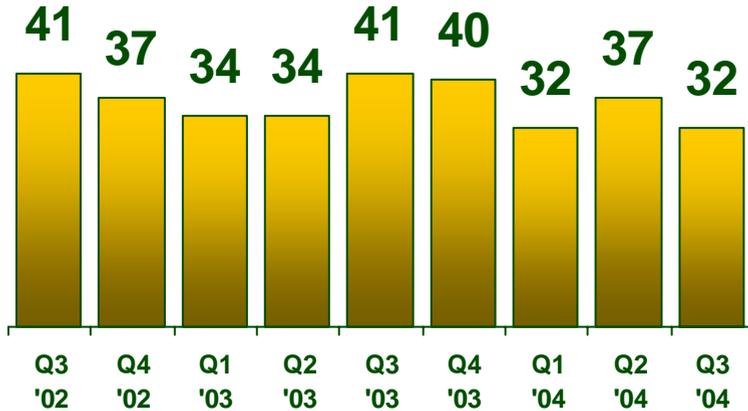
A/B/C/D/E/F/G/H/I= Statistically significant at the 95% confidence level.



Millward Brown

Advertising recall for Army softened during the last period and strengthened for Marines.

Unaided proven advertising recall*-Prospects



*Includes recall for current and previous campaigns

Q.7: Please tell me everything you remember about the recent advertising you saw for the (service)?



Millward Brown



Despite the observed increase in advertising awareness, prospects are unable to recall specific elements of individual ads at strong levels. The 2400/7 series continued to register general comments and relatively strong references to GoArmy.com.

Unaided advertising recall - Prospects

	Bench- mark	2002		2003				2004			Millward Brown US Average ⁺
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
		A	B	C	D	E	F	G	H	I	
Proven Army*	21	<u>41</u> ADEHJX	37 AX	<u>34</u> AX	<u>34</u> AX	<u>41</u> ADEHJX	<u>40</u> ADEHJX	<u>32</u> AX	<u>37</u> AX	<u>32</u> AX	<u>28</u>
Current campaign	=	<u>33</u> EHJ	<u>27</u>	<u>29</u>	<u>28</u>	<u>34</u> CEHJ	<u>32</u> H	<u>25</u>	<u>30</u>	<u>27</u>	
'Army of one' or similar	--	19	18	19	21	25 BCDHIJ	26 BCDEHIJ	18	18	16	
Dog Tags	--	2	1	1	1	2	1	**	**	**	
Basic Training	--	10 CDEFGI	3	2	3 GI	2	1	**	1	**	
Goarmy.com or similar	--	3 D	1	1	2	3 CD	2	3 D	4 CDG	4 CDG	
212 Ways	--	6 EFGI	5 FGI	4 I	2 I	2 I	2 I	--	1	**	
Ice Soldier	--	2	5 BIJ	5 BIJ	4 BIJ	4 BIJ	3 IJ	**	1	1	
Coming Home	--	--	--	**	1	1	**	--	--	--	
Generations II	--	--	--	--	--	1	--	--	--	--	
Make a Difference	--	--	--	--	--	--	--	--	--	--	
Ready	--	--	--	--	--	--	--	--	--	--	
2400/7 (general comments)	--	--	--	--	--	--	--	2	8 H	8 H	
Fire in the Hole (Leaper)	--	--	--	--	--	--	--	1	**	--	
Fasten Your Seatbelts (Alexander)	--	--	--	--	--	--	--	**	1	1	
The Doctor (Lussier)	--	--	--	--	--	--	--	--	--	--	
Protect and Defend (Abreu)	--	--	--	--	--	--	--	--	--	1	
Success story (Koryavych)	--	--	--	--	--	--	--	--	2	2	
Influencer ads	--	--	--	--	--	--	--	--	**	**	
Ad encouraged to visit website	--	--	--	--	--	--	--	--	2	4 I	
Currently	--	--	--	--	--	--	--	--	--	--	
General situation/visual	33 BCDEFGHIJ	28 D	24	21	26	27 D	27 D	27 D	27 D	25	

Base: Aware of Army advertising

*Total of current and previous campaigns.

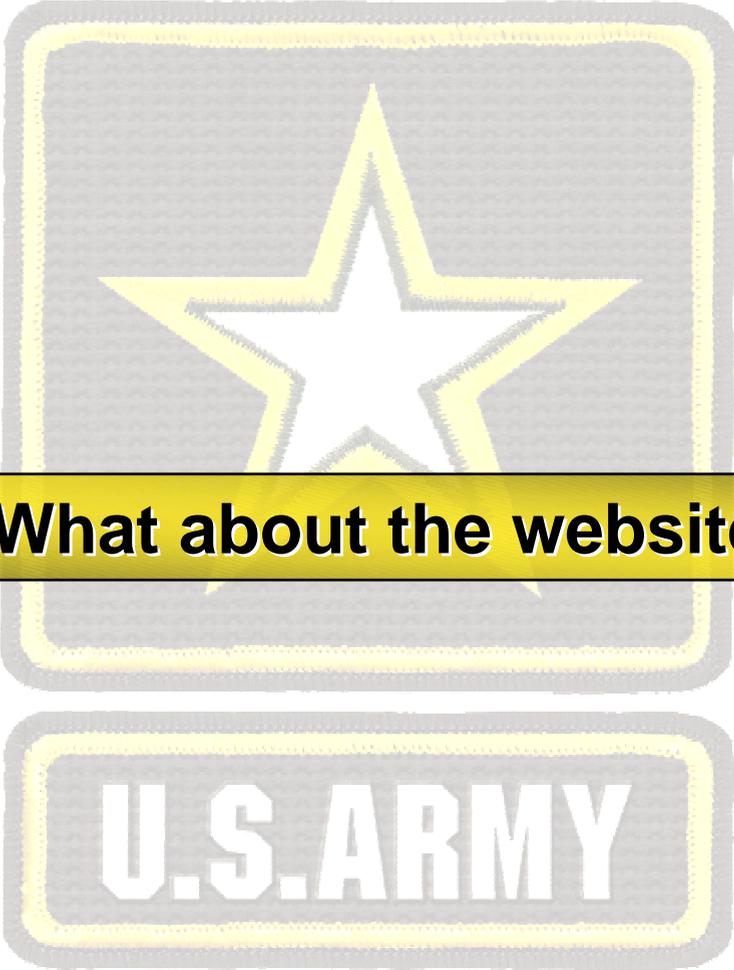
+Average of all US ATPs **Less than 1%

A/B/C/D/E/F/G/H/I/J/X = Significantly higher at the 95% confidence level.

Q.7: Please tell me everything you remember about the recent advertising you saw for the (service)?



Millward Brown



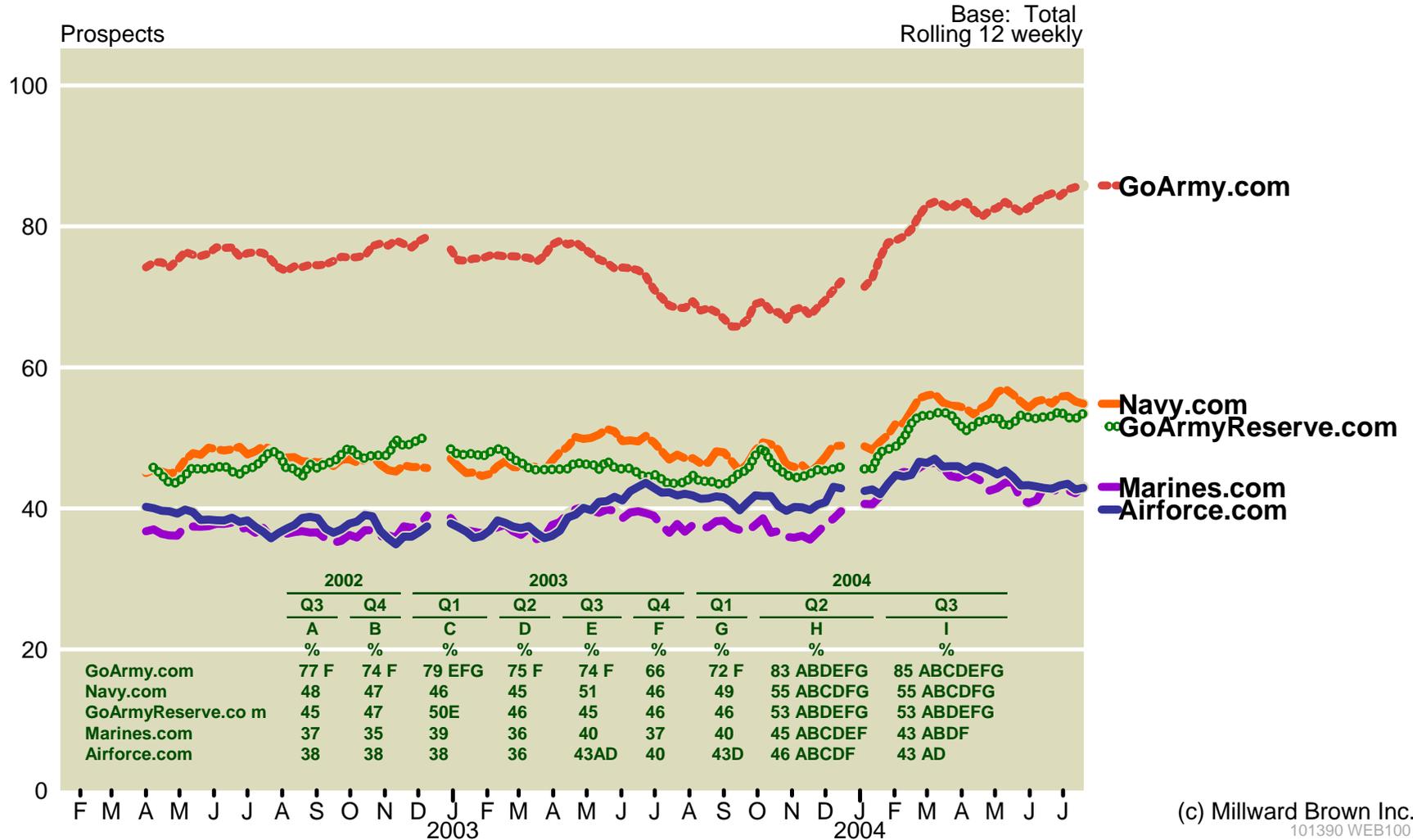
What about the website?





Awareness of GoArmy.com continues to increase as does awareness of sites for the Navy and Marines in the past six months.

U.S. Military Website - Total Awareness



A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.





Website presence - Prospects



GoArmy.com



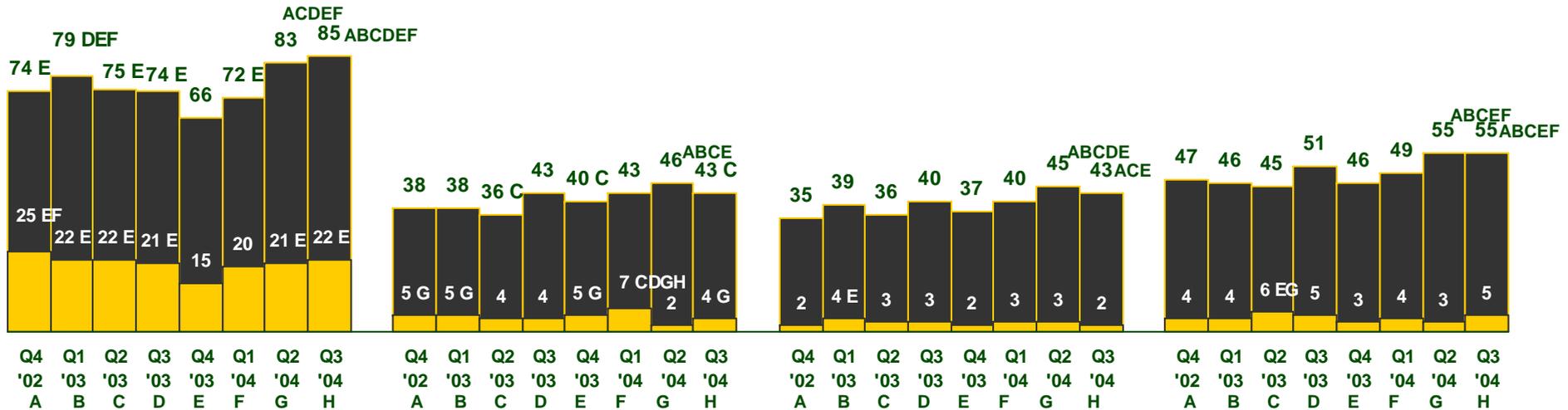
Airforce.com



Marines.com



Navy.com



■ Total Awareness ■ Unaided Awareness - 1st Mention

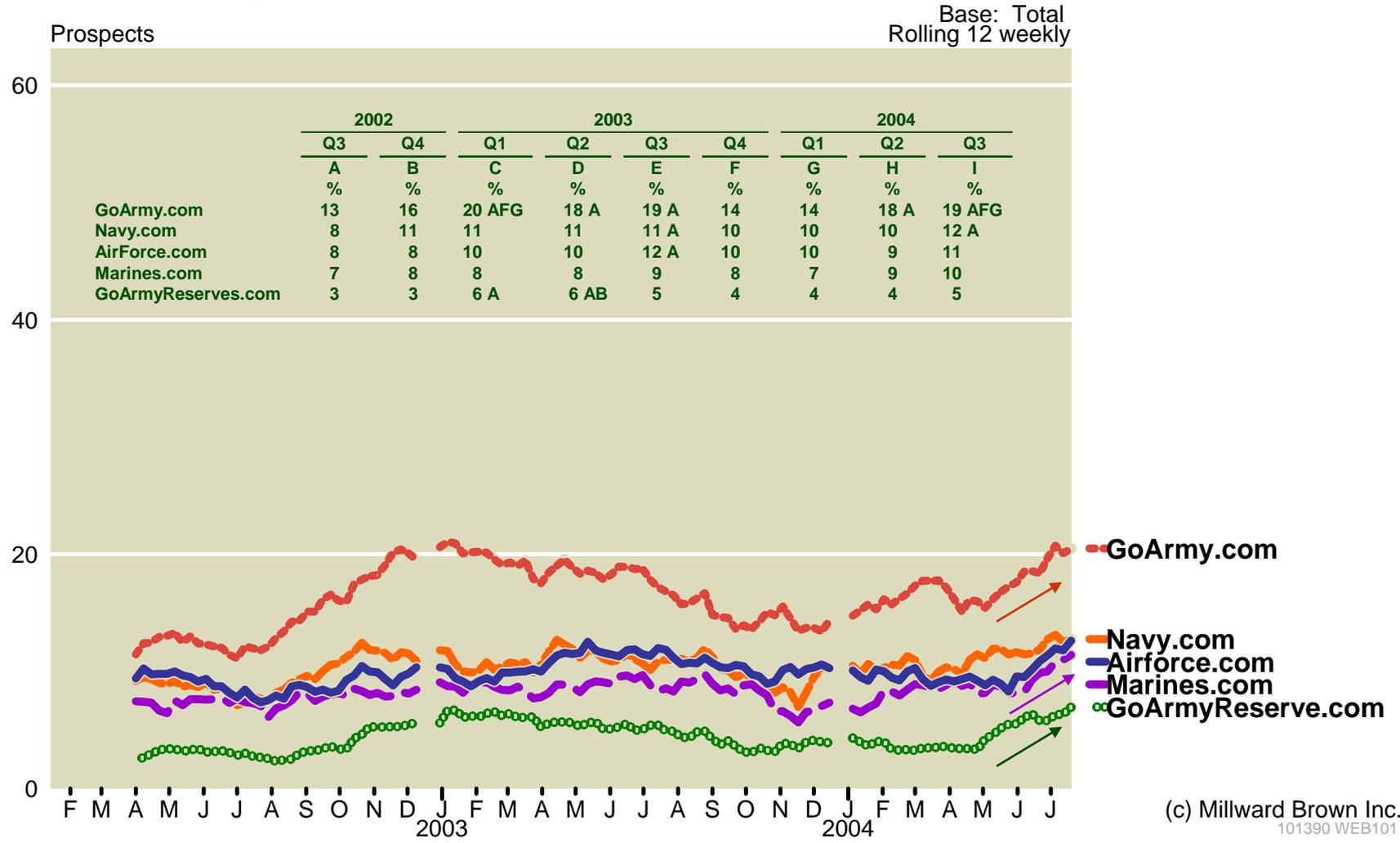
A/B/C/D/E/F/G/H = Statistically significant at the 95% confidence level.

Q.Web1/Web2: When you think of U.S. military websites, which specific sites come to mind first? Which others? Have you heard of (website)?

Prospects are visiting GoArmy.com at levels equal to the highs seen during 2003 and higher than 2002.



U.S. Military Website Visitation



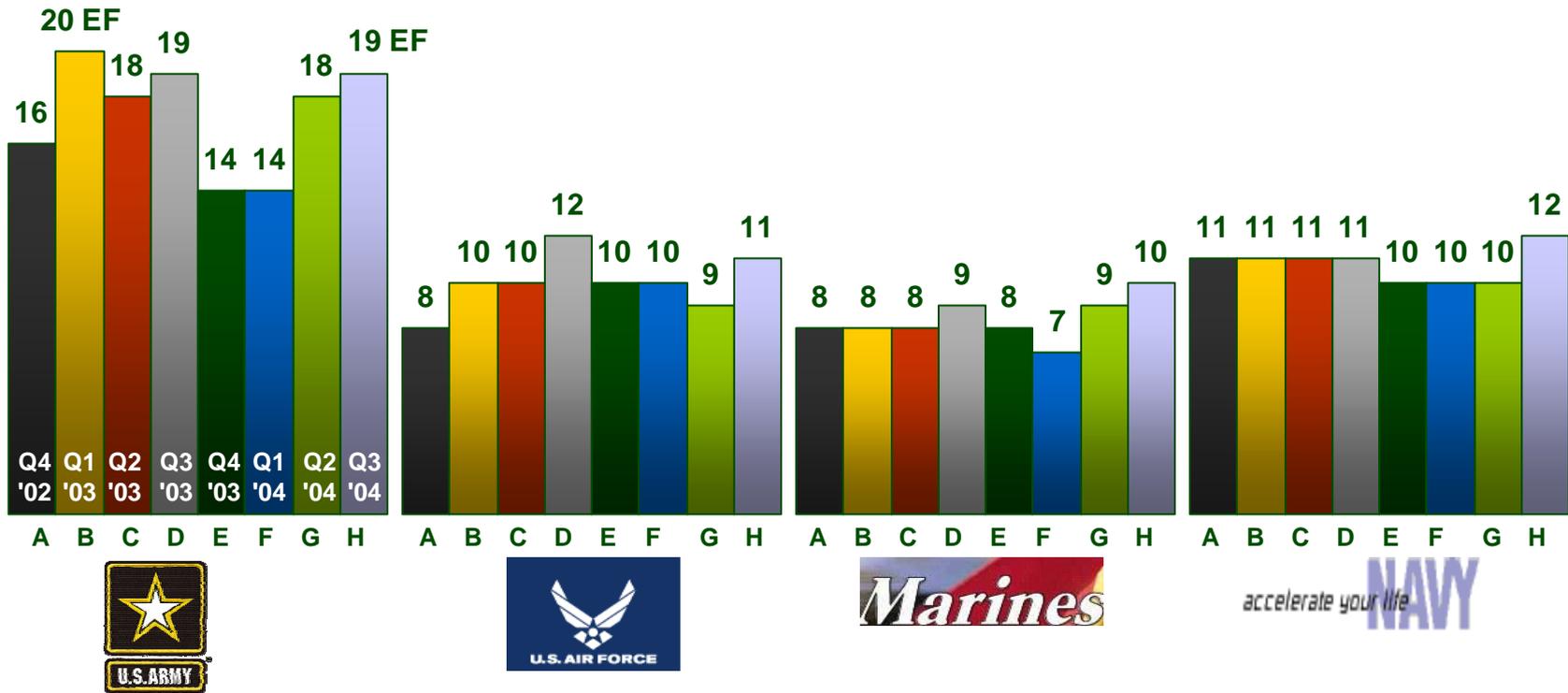
A/B/C/D/E/F/G/H/I= Statistically significant at the 95% confidence level.



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Website visitation - Prospects



A/B/C/D/E/F/G/H = Statistically significant at the 95% confidence level.

Q.Web4: Have you ever visited (website)?



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Appeal ratings of GoArmy.com are broadly in line with levels achieved in 2002. However, less users agree that the web site is cool.

Army website diagnostics - Prospects

	2002		2003		2004		
	Q2	Q3	Q3*	Q4	Q1	Q2	Q3
	A %	B %	C %	D %	E %	F %	G %
<u>Empathy statements</u>							
It was easy to navigate	93	95	95	95	90	93	94
It was cool	91 CEFG	84	78	90 CEFG	77	74	79
It was fun	69 CE	59	52	62	50	64 E	62
It improves your opinion of the U.S. Army	69 F	66	60	64	57	54	63
It was different from other websites	68	62	71	71	70	65	70
It made you more interested in the U.S. Army	63	64	65	59	58	55	59
<u>Overall rating</u>							
Excellent/very good	58	48	61	51	52	55	54
Excellent	15	10	17	17	14	14	16
Base: Visited GoArmy.com	(93)	(122)	(84)	(113)	(104)	(138)	(150)

*Question added back in 5/4/03.

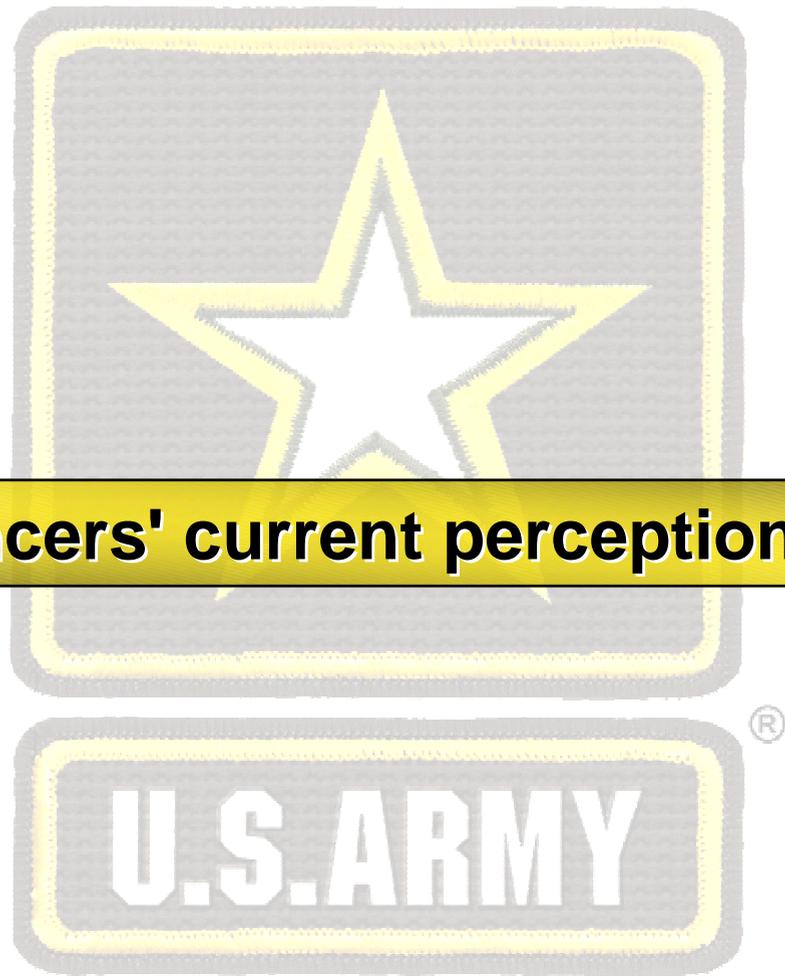
A/B/C/D/E/F/G = Statistically significant at the 95% confidence level.

Q.Web10: For each statement I read, please tell me whether or not you feel it applies to GoArmy.com

Q.Web5: Overall, how would you rate GoArmy.com? Would you say it is...?.



Millward Brown



What are Influencers' current perceptions of the military?





With the exception of Q1'04, parents perceive no change in their child's propensity to join the military.

Child's perceived propensity Influencers

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Top 2 box	<u>13</u>	<u>14</u>	<u>14</u>	<u>16</u>	<u>15</u>	<u>15</u>	<u>18</u> AH	<u>13</u>	<u>14</u>
Definitely will	2	4	2	3	3	3	3	3	5
Probably will	11	10	12	13	12	12	15 HI	10	10
Probably will not	55	52	52	52	52	53	50	51	51
Definitely will not	28	29	29	27	28	29	29	30	27

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.

Q.U: Now I'd like to ask you how likely it is that your child will serve in the military in the next few years...?

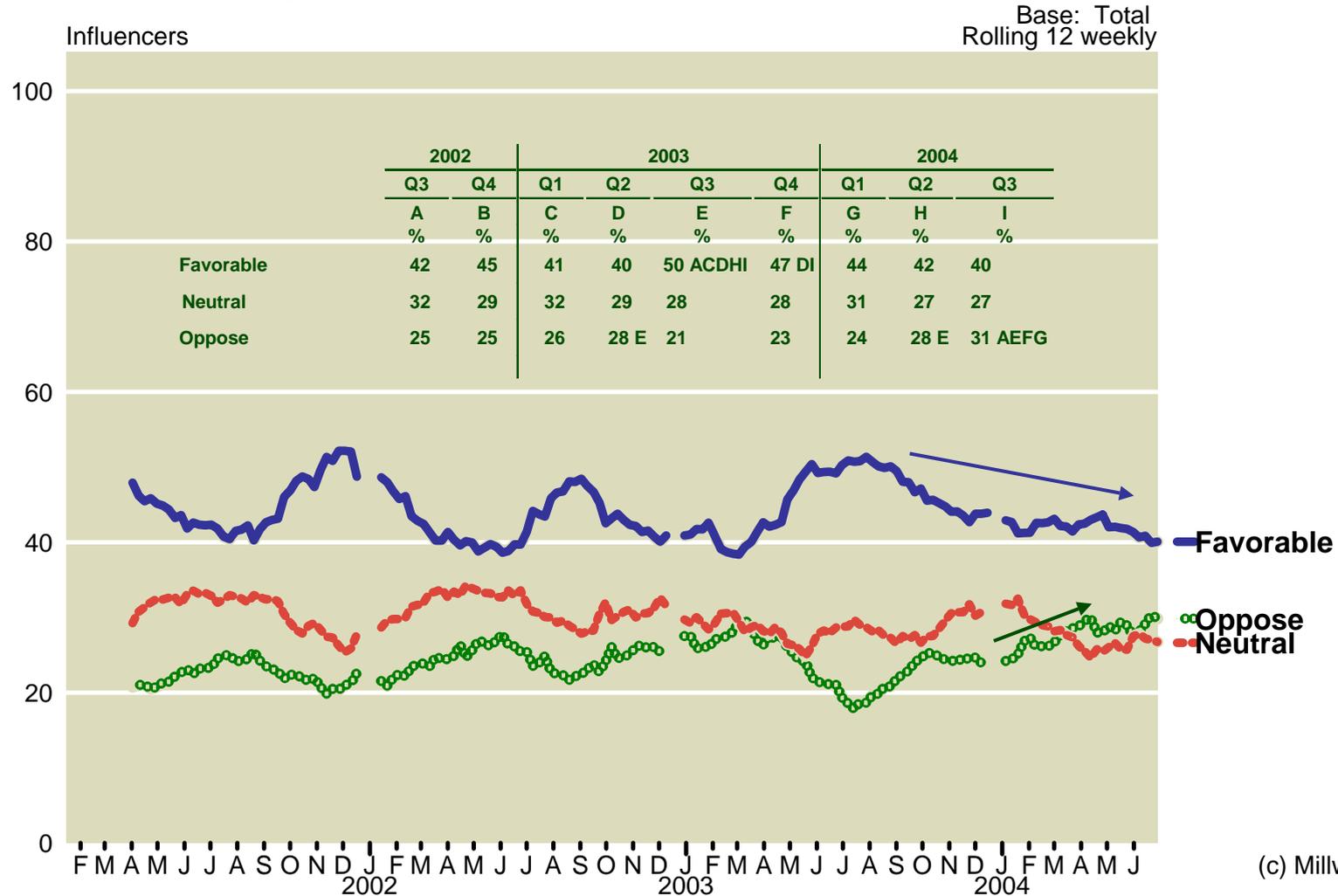


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However, parents' favorability to the idea of their child serving has been steadily declining, with opposition to military service at its highest level.



U.S. Military Service Favorability



(c) Millward Brown Inc.
101389 QV00

A/B/C/D/E/F/G/H/I= Significantly higher at the 95% confidence level.

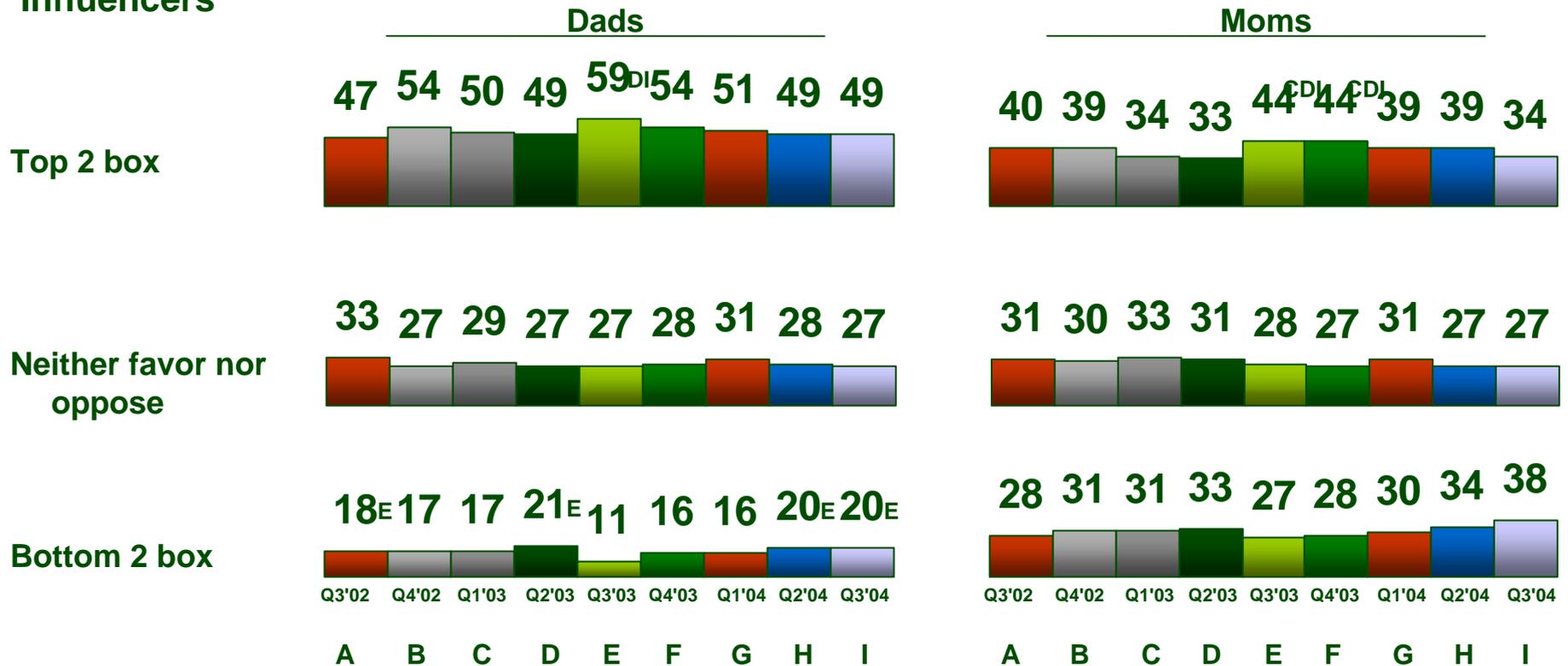


Millward Brown



Importantly, softening favorability is coming from moms as well as dads in the past six months.

Service favorability Influencers



A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.
Q.V: How do you feel about the idea of your child joining the military?



Parents are voicing increasing objections to service, particularly regarding the Iraq situation.

Reasons for being opposed Influencers

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A %	B %	C %	D %	E %	F %	G %	H %	I %
Established	12	18	20 GH	18 G	14	11	7	9	13
Continuing/finishing education	4	4	8 G	6	6	4	1	3	6
Have a family/don't want to be away	5	5	3	7	2	2	4	3	6
Prefer to do something else	1	-	2	3	1	2	2	2	1
Objections	59 F	57	63 F	55	56	45	57	71 ADEFG	73 ABDEFG
Don't want them to go/believe in war	20	13	16	15	16	12	15	20	12
Don't want them to die	36 EFGHI	35 EFGHI	40 EFGHI	32 EFGHI	8	13	13	9	16
Against religion	4	4	2	3	2	4	-	2	2
Don't believe in the military	-	7	7 G	4	3	2	1	2	4
Don't want them in danger	-	-	-	-	25 F	13	24	30 F	30 F
Dislike government/president	-	-	-	6	5	4	4	7	8
Opposed to current situation/military involvement	-	-	-	-	-	-	5	8	18 GH

- "I don't like the decisions about what we do with our Army and Navy. I don't think the war is valid."
- "Run the risk of being killed."
- "The possibility of an early death, dismemberment."
- "What's going on in Iraq."

- "Because the situation our world is in."
- "Don't want to see him in a war."
- "Well it's due to the fact of the war and stuff and she'd have to go into combat."

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.
 Q.18B: Please tell me the most important s you are opposed to your child serving on active duty.



Recently, from the parents' perspective, some benefits of joining the Army have declined.

Benefits of joining the Army – Top 3 box Influencers

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Develop personal values and qualities	68	70	63*	62+	67+	66+	65+	65+	62+
Something your child can be proud of	70	71 C	64	66	72 CD	69	70	68	70
Mentally challenging	56 I	54	51	52	56 I	56 I	51	53	47
Training in specific job skills	NA	NA	NA	NA	NA	57	54	53	52
Get job security	55	52	51	49	54	55	53	52	49
Get high tech training	62	62	56	56	62 H	59	58	55	56
Be part of a strong team	68	68	66	65	72 DI	70	68	71 DI	64
Defend/serve country	81	81	76	78	82 C	82 C	84 CD	81	81
Have a personal life	33	31	30	30	33	30	28	29	30
Get money for college	76 CD	74	69	67	75 CD	77 CDI	73	72	71
Signing bonus	50 H	49 H	45	43	47	48 H	46	42	43
Develop skills that will help your child get a good job	58 DI	55 D	52	46	57 DI	56 D	56 D	52	50
Opportunity to travel	55	56	56	58	62	61	58	56	58
Develop leadership skills	NA	NA	NA	61	67	69 DI	64	64	63
Average	61	60	56	56	62	61	59	58	57

*Data for Q1 '03 through 12/7/02 only due to slight wording change

+Data not directly comparable to Q2 '02 – Q1 '03 due to wording change.

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level

Q.11A: To what extent do you agree or disagree that joining the (service) would allow your child to (statement)?



Millward Brown



Most barriers (for all services) remain relatively stable although the possibility of engaging in combat and fear of injury or death have continued to increase for Army.

Barriers to joining the Army – Top 3 box Influencers

Influencers	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
Too physically demanding	17	16	18	15	18	16	19	18	17
Putting life/plans on hold	36	32	35	34	36	31	33	35	35
Friends would disapprove	12	11	16 DEFGHI	10	10	10	10	10	11
People there wouldn't be like your child	16	16	21 E	19	15	18	17	18	17
Too long commitment	19	17	20	23	19	18	19	20	22
Not enough contact with family/friends	24	20	25 E	26 BE	20	21	23	25 E	27 BEF
Loss of child's personal freedom	27	26	30	28	27	26	27	30	30
Loss of a normal lifestyle for child	32	29	33	31	31	28	30	32	34
Not develop your child personally	11	9	14	15 B	11	12	15 B	13	13
Interrupt your child's education	34	30	33	35	33	30	30	31	31
Wouldn't get the newest technological training	14 B	8	15 BFG	14 B	14 B	10	10	13 B	14 B
Risk of serious injury/death	42	38	43	44 E	38	41	45 BE	51 ABCEF	54 ABCDEFG
Wouldn't develop skills that would help your child get a good job	16	11	15	16	17 BI	13	14	13	13
Your child would be more likely to end up in combat*	44	42	47	48	42	46	48	49 E	56 ABCDEFGH
Your child may have to kill people	NA	NA	NA	NA	NA	54	52	58	58
Average	25	22	26	26	24	25	27	28	29 B

*Slight wording change in Q4 '03.

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level

Q.12A: To what extent do you agree or disagree that joining the (service) would mean/be (statement)?



Millward Brown

Recent trends among Influencers raise a yellow flag for the Army and Marines.



Motivators

The following benefits to joining the Army and Marines are declining in June:

- develop personal values and qualities
- mentally challenging
- job security
- high tech training
- part of a strong team
- develop skills for a good job
- develop leadership skills
- training in job skills (Army only)

Barriers

The following combat-related barriers are increasing for the Army and Marines throughout 2004:

- not enough contact with family/friends
- risk of serious injury/death
- more likely to end up in combat
- may have to kill people

Q.11A: To what extent do you agree or disagree that joining the (service) would allow your child to (statement)?

Q.12A: To what extent do you agree or disagree that joining the (service) would mean/be (statement)?

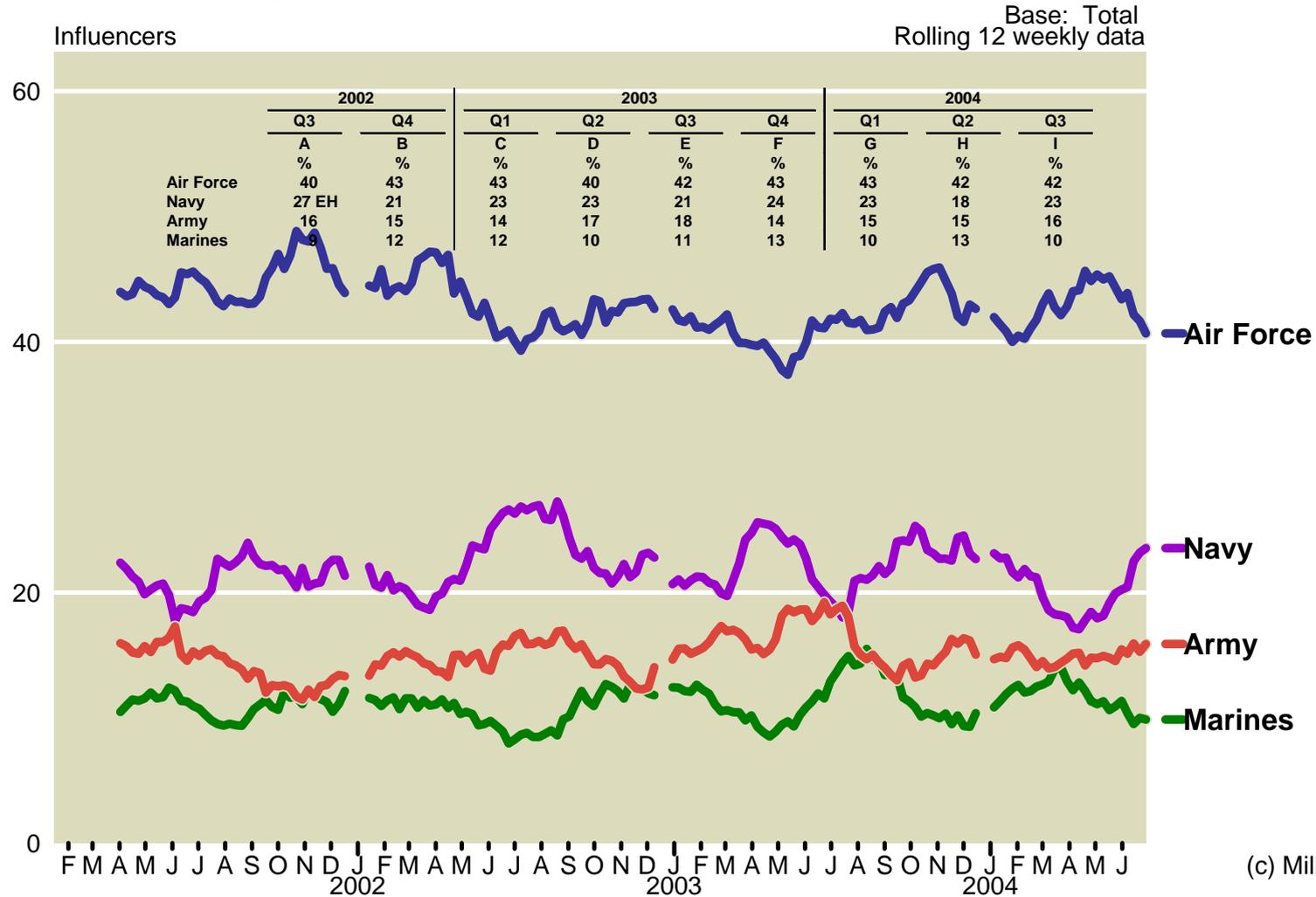


Millward Brown

Parents continue to express overwhelming preference for the Air Force.



U.S. Military - 1st Choice For Service



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101389 AWR103

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.



Millward Brown

And while parents have always mentioned safety as a reason for preferring the Air Force and Navy, it is being mentioned increasingly more often recently.



Why (service)?
Influencers

				
	A	B	C	D
	%	%	%	%
Family tradition	44 B	22	32	39 B
Already know about it	19 BCD	5	2	5
Want child to stay on land	4	--	--	1
Learn more skills	4	14 AD	8	6
Easy/less demanding	2	4	--	3
Safe/less likely to see combat	1	19 AC ↑	1	29 ABC ↑
Want to fly	--	18 D	--	2
Better technology	2	12 A	--	6
Like them the most/always liked them	1	2	6	3
Better/ best/ most elite branch	--	3	21 BD	1
Adventure/challenge	1	--	--	1
Have friends in that branch	2	6	10	4
Harder/more dedication	1	*	9	--
Good/more discipline	--	--	2	--
Want to travel	1	3	--	2
Like ocean/boats	--	--	--	11
Heard good things	4	7	9	2
Offer better careers/job opportunities	1	5	-	3
Base: Asked why service is first choice	(84)	(222)	(53)	(121)

Air Force

- "Safety. Training."
- "Less dangerous."
- "I know people in the Air Force and it's a little different the way things are; a little less danger."

Navy

- "Probably be safer since she's a female."
- "I think of safety. Safer than being on ground."
- "It's the safest from combat injury."

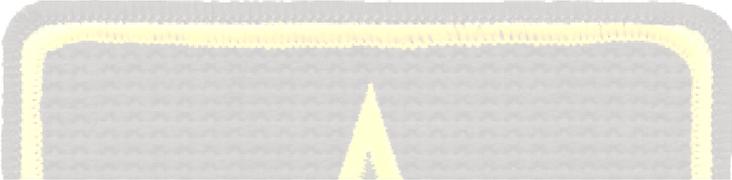
* = Less than 1%

A/B/C/D = Statistically significant at the 95% confidence level.

Q.15A: You mentioned (service) would be your first choice. Why do you say that?



Millward Brown



Given this environment, it seems this past spring was an ideal time to launch advertising targeted to parents.



Unfortunately it appears the ‘Conversations’ ads did not maximize this opportunity to touch parents.



U.S. ARMY





Army of One advertising recall among parents is significantly lower relative to levels reached in 2003.

Unaided advertising recall - Influencers

	Bench- mark	2002		2003				2004			Millward Brown US Average ⁺
		Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
		A	B	C	D	E	F	G	H	I	
	%	%	%	%	%	%	%	%	%	%	%
Proven Army*	24	29 A	31 AJ	28	30 AJ	31 AJ	31 A	32 AIJ	26	24	28 J
Current campaign	-	18	20	20 J	18	20 J	22 J	24 BEJ	19	15	
'Army of one' or similar	-	14	17	18	16	18	21 BEIJ	22 BEIJ	16	15	
Basic Training	-	2	1	1	-	1	-	-	-	-	
Goarmy.com or similar	-	1	1	-	-	-	-	-	-	-	
212 Ways	-	3 EFG	1	2	1	1	1	-	-	-	
Ice Soldier	-	-	2	2	1	-	-	-	-	-	
Coming Home	-	-	-	-	-	-	-	-	-	-	
Made Of	-	-	-	-	-	-	-	-	-	-	
Legions	-	-	-	-	-	-	-	-	-	-	
Inside Army	-	-	-	-	-	-	-	-	-	-	
Generations II	-	-	-	-	-	-	-	-	1	-	
2400/7 (general comments)	-	-	-	-	-	-	-	2	1	1	
Fire in the Hole (Leeper)	-	-	-	-	-	-	-	1	-	-	
Fasten Your Seatbelts (Alexander)	-	-	-	-	-	-	-	-	-	-	
The Doctor (Lussier)	-	-	-	-	-	-	-	-	-	-	
Serve and Protect (Abreu)	-	-	-	-	-	-	-	-	-	-	
Influencer ads (Conversations)	-	-	-	-	-	-	-	-	1	-	
Currently	-	-	-	-	-	-	-	-	-	-	
Format of advertising (i.e. TV or radio ad)	14	18 AE	23 ADEI	14	13	19 ADE	22 ADEI	23 ABDEI	16	21 ADEI	
General situation/visual	17	23 A	26 AFGIJ	20	21 A	20	19	27 ADEFGIJ	19	20	

Base: Aware of Army advertising

*Total of current and previous campaigns

+Average of all US ATPs

A/B/C/D/E/F/G/H/I/J/K = Significantly higher at the 95% confidence level.

Q.7: Please tell me everything you remember about the recent advertising you saw for the (service)?



Millward Brown



Parents acknowledge that the Army's recent advertising reflects the nature of the choices their children have to make, and noticed that the ads involve an important message.

Ad empathy – Army Influencers

	2002		2003				2004		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
	A	B	C	D	E	F	G	H	I
	%	%	%	%	%	%	%	%	%
You enjoy it	77 HI	72	74 H	74 H	77 HI	74 H	72	65	67
It makes you interested in finding out more about the (service)	20	19	21 H	18	18	15	16	14	22 H
It was different than most other ads for the military	33	32	36	34	37 H	34	36	29	35
It was irritating	7	5	6	7	6	7	5	7	8
You are getting tired of seeing it	8	11	9	12	9	9	9	10	10
It tells you something you had not known about the (service)	17 FG	12	15	13	14	11	10	14	15
The message was believable	87	88	86	84	88 I	87	87	86	82
The main idea was important to you	68 H	61	62	63	66	64	62	58	68 H
You like the people in it	89 I	86	86	87	87	88	90 I	84	82
It was speaking to you*	NA	NA	NA	NA	NA	25	23	23	27
It made the (service) look too dangerous*	NA	NA	NA	NA	NA	2	7	5	4
Reflects real decisions your child has to make	NA	NA	NA	NA	NA	NA	NA	NA	79

*Statement added 7/27/03

A/B/C/D/E/F/G/H/I = Statistically significant at the 95% confidence level.

Q.7B: For each phrase I read, please tell me whether or not you feel it applies to this advertising.



Millward Brown