

REPUBLICANS CIRCLE THEIR WAGONS AROUND BUSH

BUSH FAVORABILITY RATINGS BACK ON THE RISE AMONG THE GOP BASE

***Diageo/Hotline Poll Conducted by Financial Dynamics Finds
Republicans Are Regaining Some Lost Ground In Midterm Match-ups***

Local vs. National Issues Paint Two Different 2006 Election Landscape Pictures

NEW YORK, June 29, 2006 – This month’s Diageo/Hotline Poll, conducted by Financial Dynamics, shows the national mood is improving with 30% of voters stating that the nation is headed in the right direction, compared to 23% last month. This is due mostly to Republicans rallying around the Bush administration; Republican voters who believe the country is on the “right track” improved from 43% to 60% in just one month. Democrats who believe the country is on the right track also increased slightly (10% to 13%), while Independents voters’ perception has grown increasingly negative. Overall, 57% believed the nation was on the wrong track in May compared to 62% in June.

Republican efforts to support an administration in crisis can also be seen directly in President Bush’s approval and favorability numbers. Typically, Bush’s favorability rating has been higher than his job approval. However, last month we saw the two draw even. This month, Bush’s favorability increased to 42%, a five-point jump from May, while his job approval increased four points, placing it just below his favorability (41%). These are both encouraging numbers for Bush and, more importantly, for Congressional Republicans, because the base of the Republican party is behind this upward mobility (79% of Republicans have a favorable opinion of Bush and 76% approve of the job he is doing as president).

In terms of the 2006 Congressional landscape, Democrats still hold an upper hand in the generic congressional ballot (41% - 36%), but have faltered only slightly since last month (42%-36%), especially where Democrats cannot afford it – among Independents. In May, Independents favored Democrats 31% - 19% compared to this month’s 24% - 20%. The next few months will be very telling as we see these numbers change.

The Diageo/Hotline Poll of 800 registered voters, conducted by Financial Dynamics from June 21 to 25, with analysis by Ed Reilly (D) and Ed Rollins (R), offers a new look at the challenge facing Congressional candidates, including a comparison between local and national issues. The overall attitude towards the local outlook, is not surprisingly, overwhelmingly more positive than its national counterpart, with 53% stating things in their local area are moving in the right direction. That number decreased among Democrats and Independents, 44% and 46% respectively, and increased to 66% among Republicans.

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Issues also vary between the national and local spectrums. While the issue of unemployment and jobs barely registers as an important issue for the nation, it is a top ranking local issue. The same holds true for education, crime, illegal drugs and environment, whereas the Iraq war and immigration are far more national issues.

“The numbers clearly show that voters have already decided this is a nationalized election with issues like Iraq and immigration taking center stage. Now the question becomes if Democrats can capitalize on this or will they tip toe around these sensitive issues,” said Chuck Todd, Editor-in-Chief of *The Hotline*.

Looking ahead to 2008, Hillary Clinton has returned to her February numbers against John McCain (50% - 40%), largely due to the fact that McCain’s support among Democrats has dropped. That drop is offset, however, by an increase in McCain’s support among Independents, moving from 50% last month to 57% now. In a general match-up against McCain, former Vice Presidential nominee John Edwards trails the Arizona senator 49% - 36%

The Diageo/*Hotline* Poll also tested the favorability of Al Gore in the wake of “An Inconvenient Truth.” His favorability (44%) increased only two points since last month. Some other notables include Edwards: 36% favorable, 26% unfavorable; Clinton: 49% favorable, 44% unfavorable; and McCain: 51% favorable and 24% unfavorable.

To obtain complete poll results please see www.diageohotlinepoll.com
To schedule an interview with Ed Rollins, Ed Reilly or Chuck Todd, contact Megha Narayan at (212) 850-5600 or Megha.Narayan@fd.com

Methodology

The Diageo/*Hotline* Poll was conducted by telephone from June 21 to 25 among a random, nationally representative sample of 800 registered voters (margin of error +/- 3.5%), ages 18 and older.

Complete results available at www.diageohotlinepoll.com

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