

LARGER THAN LIFE

A CELEBRATION OF GREATNESS

(P)owering (G)oods

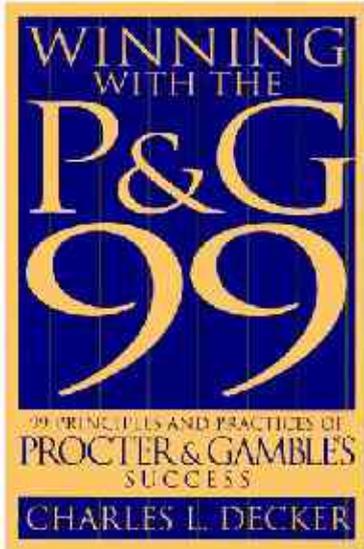
Procter & Gamble Co. is a Fortune 500, American global corporation based in Cincinnati, Ohio, that manufactures a wide range of consumer goods. **As of 2008, P&G is the 23rd largest US Company by revenue and 14th largest by profit. It is 10th in Fortune's Most Admired Companies list (as of 2007). P&G is credited with many business innovations including brand management, the soap opera, and "Connect & Develop" innovation. The company provides products and services of superior quality and value to consumers in over 180 countries.**

External collaboration plays a key role in nearly 50 percent of P&G's products as the company has been collaborating with outside partners for generations. P&G's vision is simple, to collaborate inside and out better than any other company in the world.

The following 21 brands of P&G have reached the level of MORE than a billion dollars in sales annually!
Always - Bounty - Braun - Charmin - Crest - Dawn - Downy - Duracell - Folgers - Gillette - Gillette Mach 3 - Head & Shoulders - IAMS - Olay - Oral-B - Pampers - Pantene - Pringles - Tide - Wella - Fab

P&G

Founded in 1837



Winning with the P&G 99: 99 Principles and Practices of Procter

History

William Procter, a candlemaker, and James Gamble, a soapmaker, formed distinct companies. The two men, immigrants from England and Ireland respectively who had settled earlier in Cincinnati, might never have met, had they not married sisters, Olivia and Elizabeth Norris.

Since both their industries used similar resources, the Panic of 1837 caused intense competition between the two and as a result it led to discord with the family. Alexander Norris, their father-in law decided to call a meeting where he convinced his new sons-in-law to become business partners. On October 31, 1837, as a result of the suggestion, a new enterprise was born: Procter & Gamble.

The company prospered during the nineteenth century. In 1859, sales reached one million dollars. By this point, approximately eighty employees worked for Procter & Gamble. During the American Civil War, the company won contracts to supply the Union Army with soap and candles. In addition to the increased profits experienced during the war, the military contracts introduced soldiers from all over the country to Procter & Gamble's products. Once the war was over and the men returned home, they continued to purchase the company's products.

Over time, the company began to focus most of its attention on soap, producing more than thirty different types by the 1890s. As electricity became more and more common, there was less need for the candles that Procter & Gamble had made since its inception. Ultimately, the company chose to stop manufacturing candles in 1920.

Procter & Gamble has expanded dramatically throughout its history, but its headquarters still remains in Cincinnati. In January 2005 P&G announced an acquisition of Gillette, forming the largest consumer goods company and placing the Anglo-Dutch Unilever into second

place. This added brands such as Gillette razors, Duracell, Braun, and Oral-B to their stable.



What is Connect+ Develop?

According to A.G.Lafley, Chairman and CEO, P&G's version of open innovation is all about accessing externally developed intellectual property in own businesses and allowing internally developed assets and know-how to be used by others. Historically, P&G relied on internal capabilities and those of a network of trusted suppliers to invent, develop and deliver new products and services to the market. However with change in times, the need arose to collaborate with millions of scientists, engineers and other companies globally, and so over the course of time the company started embracing open innovation, and the approach came to be called as "Connect + Develop."



Today, open innovation at P&G works both ways inbound and outbound and encompasses everything from trademarks to packaging, marketing models to engineering, and business services to design. It's so much more than technology.

Pioneering Innovations

- Introduction of **Crest** and later **Crest Tartar Control** have helped reduce the average of missing teeth or cavities in the United States from 15 to three, with more than 50 percent of children today having no tooth decay.
- Scientists at P&G developed **bleach** that was safe for most fabrics and stable when combined with detergent.
- Through its use of proprietary technology, P&G's development of **structured tissues and towels** has become the benchmark for the entire industry.
- One of the most revolutionary products to come out on the market was the company's "**Pampers**", first test-marketed in 1961. Prior to this point disposable diapers were not popular, although Johnson & Johnson had developed a product called "Chux". Babies always wore cloth diapers, which were leaky and labor intensive to wash. Pampers simplified the diapering process.
- **Dry Eukanuba Veterinary Diets**- that contains the spread of bad breadth and damage of gums in cats and dogs



Awards and Recognitions

As a leading Global company, P&G has received various awards and recognitions from organizations, associations and publications. Included below is a sample of awards that P&G has received within the most recent years.

SPONSOR	DESCRIPTION	YEAR(s)
Fortune Magazine Global Most Admired Companies	Ranked #5 for 2008 and #1 in its industry of Household & Personal Products	1985-2008
Fortune Magazine America's Most Admired Companies	Ranked #8 in 2008, and #1 in Soaps and Cosmetics. This marks the 17th time P&G has appeared in the U.S. "Top Ten" ranking.	1985-2008
Fortune Magazine Best Companies to Work For (Top 100)	Ranked #68 in 2007 *P&G not eligible in 2006 due to Gillette merger	2007 2002-05
Fortune/Universum Research Firm 100 Top MBA Employers	Ranked #14 for 2008. In the top 24 since the inception of ranking.	2002-2008
Barron's Magazine 100 Most Respected Companies	Ranked #4 on Barron's "World's Most Respected" list. Ranked #5 in 2006	2006-2007
Harris Interactive/Wall Street Journal World's Best Corporate Reputations	Ranked #10 for 2006 - up from # 13 in 2005. Ranked in the top five companies for best "Products & Services"	2003-2006
America's Second Harvest Donor of the Year	Recipient of the "Donor of the Year" award in 2007 and 2006. It is the first time a company has received the award in two consecutive years.	2006-2007
Fortune Magazine Top Companies for Leaders	Ranked #2 on the "Top Companies for Leaders" survey. This is the inaugural survey.	2007