Our Promise
Three billion times a day, P&G brands touch the lives of people around the world. And P&G people work to make sure those brands live up to their promise to make everyday life just a little bit better, now and for generations to come.

Our Purpose
We will provide branded products and services of superior quality and value that improve the lives of the world’s consumers.

As a result, consumers will reward us with leadership sales, profit and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper, now and for generations to come.

Our Principles
We show respect for all individuals. The interests of the Company and the individual are inseparable. We are strategically focused in our work. Innovation is the cornerstone of our success. We are externally focused. We value personal mastery. We seek to be the best. Mutual interdependency is a way of life.

Our Values

P&G Values
Integrity
Leadership
Ownership
Passion for Winning
Trust

P&G Brands and P&G People are the foundation of P&G’s success. P&G People bring the values to life as we focus on improving the lives of the world’s consumers.
Financial Information

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales</td>
<td>$83,503</td>
<td>$76,476</td>
<td>$68,222</td>
<td>$56,741</td>
<td>$51,407</td>
<td>$43,377</td>
<td>$40,238</td>
<td>$39,244</td>
<td>$39,951</td>
<td>$38,125</td>
<td>$37,154</td>
</tr>
<tr>
<td>Gross margin</td>
<td>42,808</td>
<td>39,790</td>
<td>35,097</td>
<td>28,869</td>
<td>26,264</td>
<td>21,155</td>
<td>19,159</td>
<td>17,071</td>
<td>18,395</td>
<td>16,901</td>
<td>16,019</td>
</tr>
<tr>
<td>Operating income</td>
<td>17,083</td>
<td>15,450</td>
<td>13,249</td>
<td>10,469</td>
<td>9,382</td>
<td>7,312</td>
<td>6,073</td>
<td>4,260</td>
<td>5,678</td>
<td>6,130</td>
<td>5,581</td>
</tr>
<tr>
<td>Net earnings</td>
<td>12,075</td>
<td>10,340</td>
<td>8,684</td>
<td>6,923</td>
<td>6,156</td>
<td>4,788</td>
<td>3,910</td>
<td>2,612</td>
<td>3,363</td>
<td>3,683</td>
<td>3,472</td>
</tr>
<tr>
<td>Net earnings margin</td>
<td>14.5%</td>
<td>13.5%</td>
<td>12.7%</td>
<td>12.2%</td>
<td>12.0%</td>
<td>11.0%</td>
<td>9.7%</td>
<td>6.7%</td>
<td>8.4%</td>
<td>9.7%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Basic net earnings per common share</td>
<td>$ 3.86</td>
<td>$ 3.22</td>
<td>$ 2.79</td>
<td>$ 2.70</td>
<td>$ 2.34</td>
<td>$ 1.80</td>
<td>$ 1.46</td>
<td>$ 0.96</td>
<td>$ 1.24</td>
<td>$ 1.35</td>
<td>$ 1.25</td>
</tr>
<tr>
<td>Diluted net earnings per common share</td>
<td>3.64</td>
<td>3.04</td>
<td>2.64</td>
<td>2.53</td>
<td>2.20</td>
<td>1.70</td>
<td>1.39</td>
<td>0.92</td>
<td>1.17</td>
<td>1.27</td>
<td>1.18</td>
</tr>
<tr>
<td>Dividends per common share</td>
<td>1.45</td>
<td>1.28</td>
<td>1.15</td>
<td>1.03</td>
<td>0.93</td>
<td>0.82</td>
<td>0.76</td>
<td>0.70</td>
<td>0.64</td>
<td>0.57</td>
<td>0.51</td>
</tr>
</tbody>
</table>

Major Expenditures

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditures</td>
<td>$ 3,046</td>
<td>$ 2,945</td>
<td>$ 2,667</td>
<td>$ 2,181</td>
<td>$ 2,024</td>
<td>$ 1,482</td>
<td>$ 1,679</td>
<td>$ 2,486</td>
<td>$ 3,018</td>
<td>$ 2,828</td>
<td>$ 2,559</td>
</tr>
<tr>
<td>Dividends to shareholders</td>
<td>4,655</td>
<td>4,209</td>
<td>3,703</td>
<td>2,731</td>
<td>2,539</td>
<td>2,246</td>
<td>2,095</td>
<td>1,943</td>
<td>1,796</td>
<td>1,626</td>
<td>1,462</td>
</tr>
<tr>
<td>Advertising expense</td>
<td>8,667</td>
<td>7,937</td>
<td>7,122</td>
<td>5,929</td>
<td>5,466</td>
<td>4,487</td>
<td>3,782</td>
<td>3,729</td>
<td>3,906</td>
<td>3,542</td>
<td>3,638</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>2,226</td>
<td>2,112</td>
<td>2,075</td>
<td>1,940</td>
<td>1,802</td>
<td>1,665</td>
<td>1,601</td>
<td>1,769</td>
<td>1,899</td>
<td>1,726</td>
<td>1,546</td>
</tr>
</tbody>
</table>

Since the beginning of the decade, P&G has more than doubled the number of brands in its portfolio that generate over a billion dollars in annual sales—from 10 to 24. The most recent addition to the billion-dollar brand club is Gillette Fusion, which went from launch to billion-dollar stature in just two years, the fastest in P&G history.
P&G at a Glance

2008 NET SALES (% of total business segments)

<table>
<thead>
<tr>
<th>Segment</th>
<th>Key Products</th>
<th>Billion Dollar Brands</th>
<th>Net Sales by GBU (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BEAUTY</strong></td>
<td>Cosmetics, Deodorants, Hair Care, Personal Cleansing, Prestige Fragrances, Skin Care</td>
<td>Head &amp; Shoulders, Olay, Pantene, Wella</td>
<td>$27.8</td>
</tr>
<tr>
<td><strong>Grooming</strong></td>
<td>Blades and Razors, Electric Hair Removal Devices, Face and Shave Products, Home Appliances</td>
<td>Braun, Fusion, Gillette, Mach3</td>
<td></td>
</tr>
<tr>
<td><strong>HEALTH &amp; WELL-BEING</strong></td>
<td>Feminine Care, Oral Care, Personal Health Care, Pharmaceuticals</td>
<td>Actonel, Always, Crest, Oral-B</td>
<td>$19.4</td>
</tr>
<tr>
<td><strong>Snacks, Coffee and Pet Care</strong></td>
<td>Coffee, Pet Food, Snacks</td>
<td>Folgers, Iams, Pringles</td>
<td></td>
</tr>
<tr>
<td><strong>HOUSEHOLD CARE</strong></td>
<td>Air Care, Batteries, Dish Care, Fabric Care, Surface Care</td>
<td>Ariel, Dawn, Downy, Duracell, Gain, Tide</td>
<td>$37.7</td>
</tr>
<tr>
<td><strong>Baby Care and Family Care</strong></td>
<td>Baby Wipes, Bath Tissue, Diapers, Facial Tissue, Paper Towels</td>
<td>Bounty, Charmin, Pampers</td>
<td></td>
</tr>
</tbody>
</table>

(1) Partially offset by net sales in corporate to eliminate the sales of unconsolidated entities included in business unit results.
P&G’s brand portfolio now includes 20 brands that generate between $500 million and $1 billion in annual sales. Combined with the billion-dollar brands, P&G’s top 44 brands account for more than 85% of P&G sales and 90% of profits.

$500 Million to $1 Billion

Recognition

P&G is recognized as a leading global company, including a #5 ranking on Fortune’s “Global Most Admired Companies,” a #8 ranking on Fortune’s “America’s Most Admired Companies”, the #2 ranking on Fortune’s "Top Companies for Leaders" survey, the #2 ranking on Barron’s “World’s Most Respected List,” a #8 ranking on Business Week’s list of “World’s Most Innovative Companies,” top rankings on the Dow Jones Sustainability Index from 2000–2008, the “Advertiser of the Year” award at the 2008 Cannes International Advertising Festival, and a consistent #1 ranking within our industry on Fortune’s Most Admired list for 23 of 24 total years and for 11 years in a row.

P&G ranks among the top companies for Executive Women (National Association for Female Executives), African Americans (Working Mother and Black Enterprise Magazines), and Diversity (Diversity Inc. Magazine).

Supplier diversity is a fundamental business strategy at P&G. In 2008, P&G again spent over $1.9 billion with minority- and women-owned businesses. Since 2005, P&G has been a member of the Billion Dollar Roundtable, a forum of 14 corporations that spend more than $1 billion annually with diverse suppliers.
### Corporate Officers

#### Corporate & Company Operations
- **A.G. Lafley**
  - Chairman of the Board and Chief Executive Officer
- **Susan E. Arnold**
  - President — Global Business Units
- **Robert A. McDonald**
  - Chief Operating Officer
- **Clayton C. Daley, Jr.**
  - Vice Chairman and Chief Financial Officer
- **Moheet Nagrath**
  - Global Human Resources Officer
- **Bruce Brown**
  - Chief Technology Officer
- **R. Keith Harrison, Jr.**
  - Global Product Supply Officer
- **Steven W. Jemison**
  - Chief Legal Officer and Secretary
- **Mariano Martin**
  - Global Customer Business Development Officer
- **Charlotte R. Otto**
  - Global External Relations Officer
- **Filippo Passerini**
  - President — Global Business Services and Chief Information Officer
- **Marc S. Pritchard**
  - Global Marketing Officer
- **Jon R. Moeller**
  - Vice President and Treasurer
- **Valarie L. Sheppard**
  - Vice President and Comptroller

#### Global Operations
- **Werner Geissler**
  - Vice Chairman — Global Operations
- **Deborah A. Henretta**
  - Group President — Asia
- **Laurent L. Philippe**
  - Group President — Central & Eastern Europe, Middle East & Africa
- **Steven D. Bishop**
  - President — North America
- **Giovanni Ciserani**
  - President — Western Europe
- **Daniela Riccardi**
  - President — Greater China
- **Jeffrey K. Schomburger**
  - President — Global Wal-Mart Team
- **Jorge A. Uribe**
  - President — Latin America

#### Global Beauty & Grooming
- **Edward D. Shirley**
  - Vice Chairman — Global Beauty & Grooming
- **Charles V. Bergh**
  - Group President — Global Personal Care
- **Christopher de Lapuente**
  - Group President — Global Hair Care
- **Juan Pedro Hernandez**
  - President — Braun
- **Virginia C. Drosos**
  - President — Global Personal Beauty
- **Robert Jongstra**
  - President — Global Professional Care
- **Hartwig Langer**
  - President — Global Prestige Products

#### Global Health & Well-Being
- **Robert A. Steele**
  - Vice Chairman — Global Health & Well-Being
- **Melanie Healey**
  - Group President — Global Feminine & Health Care
- **Charles E. Pierce**
  - Group President — Global Oral Care
- **John P. Goodwin**
  - President — Global Snacks & Pet Care
- **Jamie P. Egasti**
  - President — Coffee
- **Thomas M. Finn**
  - President — Global Health Care

#### Global Household Care
- **Dimitri Panayotopoulos**
  - Vice Chairman — Global Household Care
- **Jorge S. Mesquita**
  - Group President — Global Fabric Care
- **Martin Riant**
  - Group President — Global Baby Care
- **David S. Taylor**
  - Group President — Global Home Care
- **Mark Bertolami**
  - President — Duracell
- **Mary Lynn Ferguson-McHugh**
  - President — Family Care

#### Global Research & Development
- **Sharon J. Mitchell**
  - Senior Vice President — Research & Development, Global Fabric Care

---

The following company officers have announced their intention to retire during the 2008/09 fiscal year:

- **Ravi Chaturvedi**
  - President — Northeast Asia
- **G. Gilbert Cloyd**
  - Chief Technology Officer
- **James R. Stengel**
  - Global Marketing Officer
# Worldwide Operations

<table>
<thead>
<tr>
<th>Employees</th>
<th>138,000</th>
</tr>
</thead>
</table>

The year listed indicates when business was first established.

Albania, 2007  
Algeria, 2001  
Argentina, 1991  
Australia, 1985  
Austria, 1966  
Azerbaijan, 1998  
Belarus, 1995  
Belgium, 1955  
Bosnia and Herzegovina, 1998  
Brazil, 1988  
Bulgaria, 1994  
Canada, 1915  
Chile, 1983  
China, 1988  
Colombia, 1982  
Costa Rica, 1995  
Croatia, 1994  
Czech Republic, 1991  
Denmark, 1992  
Dominican Republic, 2005  
Ecuador, 2002  
Egypt, 1986  
El Salvador, 1988  
Estonia, 1995  
Finland, 1971  
France, 1954  
Germany, 1960  
Greece, 1960  
Guatemala, 1985  
Honduras, 1985  
Hong Kong, 1969  
Hungary, 1991  
India, 1985  
Indonesia, 1970  
Ireland, 1980  
Israel, 2001  
Italy, 1956  
Japan, 1973  
Kazakhstan, 1996  
Kenya, 1985  
Latvia, 1995  
Lebanon, 1959  
Lithuania, 1997  
Luxembourg, 2003  
Macedonia, 1998  
Malaysia, 1969  
Mexico, 1948  
Moldavia, 2007  
Morocco, 1958  
Netherlands, 1964  
New Zealand, 1985  
Nicaragua, 1985  
Nigeria, 1992  
Norway, 1993  
Pakistan, 1989  
Panama, 2000  
Peru, 1956  
Philippines, 1935  
Poland, 1991  
Portugal, 1989  
Puerto Rico, 1947  
Romania, 1994  
Russian Federation, 1991  
Saudi Arabia, 1957  
Serbia and Montenegro, 1996  
Singapore, 1969  
Slovakia, 1993  
Slovenia, 1996  
South Africa, 1994  
South Korea, 1988  
Spain, 1968  
Sri Lanka, 1996  
Sweden, 1969  
Switzerland, 1953  
Taiwan, 1984  
Thailand, 1985  
Turkey, 1987  
Ukraine, 1993  
United Arab Emirates, 2001  
United Kingdom, 1930  
United States, 1837  
Venezuela, 1950  
Vietnam, 1994

---

**Contact P&G — 24 Hours a Day**

Visit us online at www.pg.com/investor where you can get stock purchase information, transaction forms, Company annual reports and webcasts.

E-mail us at shareholders.im@pg.com

Call for financial information at 1-800-764-7483  
(call 1-513-945-9990 outside the USA and Canada)

---

**Call Person-to-Person**

Shareholder Services representatives are available Monday–Friday, 9–4 EDT at 1-800-742-6253  
(call 1-513-983-3034 outside the USA and Canada)

Automated service available after USA business hours

**Corporate Headquarters**

The Procter & Gamble Company  
P.O. Box 599  
Cincinnati, OH 45201-5572
Sustainability Strategies and Goals for 2012:

For more information about the sustainability strategies of P&G, please visit www.pg.com/sustainability.

**Strategy 1: Improve through Products**

*Delight the consumer with sustainable innovations that improve the environmental profile of our products.*

**GOAL:** Develop and market at least $20 billion in cumulative sales of “sustainable innovation products,” which are products with a significantly reduced (>10%) environmental footprint versus previous or alternative products.

**Strategy 2: Improve through Production**

*Improve the environmental profile of P&G’s own operations.*

**GOAL:** Deliver an additional 10% reduction (per unit of production) in CO₂ emissions, energy consumption, water consumption and disposed waste from P&G plants, leading to a total reduction over the decade of at least 40%.

**Strategy 3: Improve through Social Responsibility**

*Improve children’s lives through P&G’s social responsibility programs.*

**GOAL:** Enable 250 million children to Live, Learn and Thrive. Prevent 80 million days of disease and save 10,000 lives by delivering 2 billion liters of clean water in our Children’s Safe Drinking Water program.

**Strategy 4: Improve through Employees**

*Engage and equip all P&Gers to build sustainability thinking and practices into their everyday work.*

**Strategy 5: Improve through Stakeholders**

*Shape the future by working transparently with our stakeholders to enable continued freedom in innovate in a responsible way.*

Touching lives, improving life. P&G™

© 2008 Procter & Gamble
00046007