Faisal Sabzwari
Country Manager
P&G Pakistan

For almost two decades now, Pakistani consumers have trusted P&G brands to make their everyday lives better. Since its inception P&G Pakistan has continued to grow. Today as our brands reach consumers across Pakistan, we remain true to our purpose-inspired strategy of touching and improving more consumers’ lives, in more parts of the world, more completely.

P&G has always believed in the potential Pakistan has to offer as a country. We have achieved an important milestone in Pakistan with the establishment of a dry laundry plant at Port Qasim. The plant has commenced with the production of P&G’s premier laundry brand Ariel. This investment is testimony of our continued commitment to Pakistan and consumers here.

Our most important asset is our people, developed as a result of a strong promote-from-within culture. We continue to recruit the best emerging talent in the country from top universities across Pakistan and value diversity in our workforce. We invest substantially in training our employees in order to develop them to become global business leaders.

As we expand our scope of operations in Pakistan, we continue to serve local communities through various corporate social responsibility programs focused on education, health and hygiene awareness and female empowerment. We have also leaned forward to provide immediate relief to meet critical needs through items such as safe drinking water for Pakistanis displaced by the monsoon floods of 2010.

The year 2011 heralds novel beginnings for P&G and myself. I am absolutely delighted to be taking over the reins of a strong organization and a healthy growing business in Pakistan. We are poised for record growth and I am looking forward to the coming years in Pakistan.

Regards,

[Signature]
Over 170 years of touching and improving lives

It was in 1837 that a humble but bold new enterprise called Procter & Gamble was born when William Procter, an established candle maker and James Gamble, a soap maker decided to go into partnership. The two men’s paths may have never crossed had they not married sisters - Olivia and Elizabeth Norris whose father convinced his two sons-in-law to become business partners.

Procter & Gamble continued to grow through the years as the company increased its operations at a gradual yet consistent pace. It was not long before the company expanded its range of products and started developing plants both at locations inside and outside U.S.A.

Today, P&G has global operations in nearly 80 countries and markets its brands in more than 180 countries around the world. P&G’s purpose is to touch and improve the lives of the world’s consumers, now and for generations to come. This simple purpose has enabled P&G to build this rich heritage of serving consumers and become one of the world’s leading consumer product companies.

One of the key factors driving P&G’s growth is the company’s unique organizational structure that draws upon the advantages of both its global and local business units. This structure enables P&G to:

• Focus on its consumers and retail customers at a local level.
• Take a global approach to building leadership brands.
• Promote collaboration, synergy, and innovation by bringing multi-functional resources together early.
• Leverage its size and scale, while focusing on excellent execution in each market.

P&G’s purpose inspires the company’s growth strategy of touching and improving more consumers’ lives in more parts of the world... more completely.

First P&G Office at Sixth & Main Cincinnati, Ohio, U.S.A.
Building Trusted Brands

P&G is one of the world’s leading Fast Moving Consumer Goods (FMCG) company. The company has a strength of over 127,000 employees globally with annual sales in excess of $78 billion.

Four billion times a day P&G brands touch the lives of people around the world. The company has one of the strongest portfolios of trusted, quality, leadership brands serving more than 4 billion consumers globally. This portfolio includes 23 billion dollar brands and 50 leadership brands that are amongst the world’s most well-known household names.

P&G brands and the people who develop them are the foundation of the company’s success. P&G brands are inspired by the company’s mission to understand the needs, desires and aspirations of men and women and by its commitment to extensive research and development. Innovation is and has always been at the heart of P&G’s successful brands. It is the primary way the company and its brands touch and improve lives and as a result grow the business. Today P&G has a strong, global multi-year innovation program that is driving profitable share growth around the world.

2010 Net Sales

By geographic region

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<tbody>
<tr>
<td>North America</td>
<td>15%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Western Europe</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Central &amp; East Europe</td>
<td></td>
<td>19%</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Middle East &amp; Africa</td>
<td></td>
<td></td>
<td>18%</td>
<td></td>
<td></td>
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<tr>
<td>Latin America</td>
<td></td>
<td></td>
<td></td>
<td>13%</td>
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<tr>
<td>Asia</td>
<td></td>
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<td></td>
<td>21%</td>
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By market maturity

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<tbody>
<tr>
<td>Developed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>34%</td>
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<tr>
<td>Developing</td>
<td></td>
<td></td>
<td></td>
<td>46%</td>
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Financial Highlights (unaudited)

Amounts in millions, years ended June 30

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<tbody>
<tr>
<td>Net Sales</td>
<td>$78,938</td>
<td>$76,694</td>
<td>$79,257</td>
<td>$72,441</td>
<td>$64,416</td>
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<tr>
<td>Operating Income</td>
<td>16,021</td>
<td>15,374</td>
<td>15,979</td>
<td>14,485</td>
<td>12,551</td>
</tr>
<tr>
<td>Net Earnings</td>
<td>12,736</td>
<td>13,436</td>
<td>12,075</td>
<td>10,340</td>
<td>7,684</td>
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P&G’s Journey in Pakistan

P&G has been serving Pakistani consumers for almost two decades. The company launched brands in Pakistan which are amongst leading household names in their categories, providing convenience, care and value to consumers.

As a company with vast global experience, P&G has always believed in the potential Pakistan has as a country. Since its inception in Pakistan, P&G has invested significantly in the country. P&G’s first manufacturing facility in Pakistan is in Hub Balochistan producing its brands Safeguard and PUR. The company has recently setup a second state-of-the-art Ariel plant at Port Qasim.
Under its global corporate cause ‘Live, Learn and Thrive’ P&G Pakistan has focused on the development of children between the ages of 0 - 13. Keeping in view the country’s needs in the area of health and education, P&G brand and corporate community development programs have touched and improved the lives of over 21 million Pakistani mothers, children and young girls to date.

Employees are the foundation of P&G Pakistan’s success. The company nurtures local talent in the country and has invested significantly in training and development of its employees. Currently more than 50 employees from Pakistan are serving in P&G locations abroad.
Brands In Pakistan

Pantene
Pantene is a brand trusted by women and celebrities for decades. Pantene has introduced its new improved collection which helps address the toughest hair issues, split-ends and hairfall.

Head & Shoulders
Head & Shoulders is the World’s No.1 anti-dandruff shampoo. Its superior Acti-Zinc technology works directly on the scalp, making it healthy and removing up to 100% dandruff. It is approved by P&G Research Center England and 8 out of 10 dermatologists across the world recommend it for dandruff treatment. All this makes Head & Shoulders a definite choice for dandruff treatment and relief.

Ariel
Ariel is P&G’s leading detergent brand globally. Since its launch in Pakistan in 1998, Ariel has revolutionized the laundry detergents market with technological advancements. It has also established itself as a ‘brand of the people’ by addressing the needs of Pakistani consumers and simplifying laundry chores.

Safeguard
Safeguard is a leading anti-bacterial soap endorsed by more health and hygiene agencies globally than any other soap. Safeguard has been tested by Pakistan Medical Association and proven to effectively remove and inhibit germs that may cause skin infection and perspiration odor.

Always
Since its launch in Pakistan in 2001, Always has revolutionized the lives of Pakistani women with its superior solutions for feminine hygiene. Providing up to 8 hours of anti-staining protection, Always allows women to have a worry-free experience, enabling them to embrace womanhood positively.
Pampers
In August 2000, Pampers was launched in Pakistan allowing Pakistani consumers to benefit from this globally renowned product. It is endorsed by the International Society of Pediatricians. The special feature of Pampers is the diaper core design which includes Absorbent Gelling Material (AGM), which absorbs quicker and helps to improve your baby’s skin through a better dryness performance. This helps babies sleep for up to 12 hours uninterrupted at night, enabling their healthy, happy development.

Wella
Wella has built a reputation for leading innovation within the hair color category. Over the years, Wella hair color has become renowned for its ability to step change the coloring process, making home hair color quicker, easier and more accessible to more women. Wella has also pioneered new formulations that are ever kinder to the hair.

PUR
PUR is a cost-effective, authentic and comprehensive water treatment technology, which aims to provide safe drinking water at the household level. It has been developed by the Procter & Gamble Health Sciences Institute in collaboration with the International Council of Nurses (ICN) and the Centers for Disease Control and Prevention (CDC). PUR counters bacteria, viruses, pathogens, heavy metals such as arsenic and lead, organics, and turbidity in drinking water.

Vicks
Vicks is a well-established and leading brand for cough and cold relief across the world.
Helping the community
LIVE, LEARN and THRIVE

P&G is committed to giving back to the community through its global corporate cause entitled Live, Learn and Thrive (LLT). P&G LLT programs have been designed to provide opportunities for a better quality of life and are focused on children in need from birth to the age of 13.

In Pakistan the P&G Live, Learn and Thrive cause comes to life through several community programs in the areas of health and hygiene awareness, education and female empowerment. All in all, P&G Pakistan’s social community programs have touched and improved the lives of over 21 million Pakistanis to date, particularly children, young girls and mothers.

P&G Pakistan’s community programs have been recognized locally and internationally. Accolades include the 5th CSR National Excellence Award by Help International Welfare Trust supported by the CSR Association of Pakistan, 2010 and the US Chamber of Commerce International Community Service Awards in 2008 and 2009.

Live - By ensuring a healthy start

The P&G Children’s Safe Drinking Water program is the company’s signature corporate program under Live, Learn and Thrive which helps address the critical need for clean drinking water through a water purifying product called PUR. Pakistan is the second largest site in the world in terms of distribution of this product. In Pakistan P&G has provided more than 500 million liters of clean drinking water to communities in need to date, through social markets and disaster relief.

The Safeguard Sehat-o-Safai program is the single largest health and hygiene education program in Pakistan and has touched the lives of 7 million children to date. The ‘Safeguard 100 days - 100 schools’ campaign has also provided sanitation facilities for 40,000 children in schools across Pakistan.

The Pampers Hospital Education program and Pampers Mobile Baby Care Clinic program have created awareness on baby development amongst 8 million young mothers to date across Pakistan. Additionally the Pampers-UNICEF ‘One pack = One Vaccine Program’ has donated about 1.1 million vaccines to protect mothers and newborn babies from maternal and neonatal tetanus.

P&G’s leading fem-care brand Always has successfully launched a nationwide education program ‘Agahi’ in Pakistan which has educated over 6 million girls to date about important health and hygiene habits.

The P&G Hub Plant donated a blood bank to Jam Ghulam Qadir Hospital in Hub area. This is the first blood bank in the area catering to the medical needs of thousands of residents of the surrounding community.
Learn - By giving access to education

Through the ‘Keeping the Hope Alive’ initiative P&G Pakistan has partnered with Health Oriented Preventive Education (HOPE) to establish a network of 60 informal schools across Karachi and Thatta. This program has given quality education to more than 2,000 students to date.

P&G Pakistan has also partnered with Rural Education and Development (READ) Foundation to build seismic compliant schools in the earthquake-affected areas of Azad Jammu and Kashmir under a partnership titled ‘Safe Schooling for Building Futures’. Together P&G Pakistan and READ Foundation have established three schools to date which have provided education to over 3,000 children.

P&G Port Qasim Plant in collaboration with the NGO Health Education Literacy Program (HELP) has established its first school in the Port Qasim vicinity to provide pre-primary education to children from the local community.

Thrive - By building skills for life

P&G Pakistan has entered into a long-term partnership with SOS Children’s Villages of Pakistan with a vision to provide sustainable support for orphans. The first P&G Home is currently being built in the SOS Village Islamabad and will provide housing for 10-12 orphaned children.

P&G Pakistan encourages and facilitates employee volunteerism as it strongly believes that financial contribution has to be strengthened with the investment of time and effort. It is a source of pride for P&G that many of its highly committed employees regularly take part in various volunteerism activities.

P&G has supported Pakistan and its people in emergencies and natural disasters including the 2005 earthquake, the 2008 Swat humanitarian crisis and most recently the monsoon floods. P&G provided immediate relief by making available critical items of need including over 280 million liters of clean drinking water via PUR-P&G’s water purifying sachets, food and essential P&G hygiene brands. P&G brands also initiated programs in their individual areas of expertise to help the flood affectees.
Developing Business Leaders

Capacity Building

Developing skills in the workplace and nurturing talent are key priorities at P&G. People are part of the foundation on which the company builds and grows its business. P&G continually invests in employee development through an extensive learning and development plan. Employees are constantly faced with new and diverse challenges, where growth is measured through skills, interests and performance. P&G provides remarkable career opportunities within the company and across the globe. Currently more than 50 P&G Pakistan employees are working on challenging international assignments.

Nurturing Diversity in the Organization

P&G recognizes and respects the unique and special differences in its employees and believes in leveraging them to the fullest. Diversity is a business strategy for P&G and efforts are made to hire people from different ethnic and cultural backgrounds with diverse lives and career experiences. P&G's recruitment effort targets universities all over Pakistan and is aimed at hiring people with varying leadership and thinking styles. Today P&G Pakistan draws talent from more than 30 schools and universities across Pakistan.

Developing Leaders for Tomorrow

P&G is a strong believer in the potential of the country's youth. The company has taken an initiative to engage Pakistani youth through an innovative and one-of-its kind "National University Challenge". This initiative provides students from leading universities across Pakistan the opportunity to showcase their talent, exercise their creative skills, experience the challenges of the professional world and thus evolve as enterprising leaders of tomorrow. This campaign stems from P&G's commitment to nurture local talent and develop leaders. Every year P&G Pakistan recruits interns from amongst the best emerging talent in the country. The company provides interns with challenging assignments to enable them to experience first hand what life and work is like at P&G.

P&G Pakistan received the 'Fastest Rising Company of 2010' award by Pakistan Society of Human Resource Management
Sustainability at P&G

At P&G, sustainability is viewed as a significant responsibility as well as a continuous source of opportunity. As a result, sustainability is embedded in everything that P&G does.

P&G incorporates sustainability into its products, packaging and operations through five clear sustainability strategies.

1. **Strategy 1: Products**
   Delight the consumer with sustainable innovations that improve the environmental profile of P&G products.

2. **Strategy 2: Operations**
   Improve the environmental profile of P&G’s own operations.

3. **Strategy 3: Social Responsibility**
   Improve children’s lives through P&G’s social responsibility programs.

4. **Strategy 4: Employees**
   Engage and equip all P&Gers to build sustainability thinking and practices into their everyday work.

5. **Strategy 5: Stakeholders**
   Shape the future by working transparently with stakeholders to enable continued freedom to innovate in a responsible way.

P&G Pakistan strongly believes in safeguarding the health and safety of its employees and workers. The company is closely working with the Environmental Protection Agency (EPA) as well as international technical experts to ensure that it has the best in class waste treatment facility in its plants in Pakistan.

P&G’s safety record is equally impressive whereby the company has accrued over 1 million safety hours at its soap manufacturing facility at Hub since April 2007. The P&G Port Qasim plant, while under construction, also achieved a key safety milestone by completing over 2 million safe, incident-free construction hours.

Accomplishments of these key milestones reflect the tremendous effort by P&G to uphold the company’s global safety standards.
Our Purpose, Values and Principles

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 to work and prosper.

Our Values

Passion for Winning
By showing a healthy disregard for the status quo and a strong urge to improve, we commit ourselves to being the best at what we do. We believe that the only way to excel in the workplace is through constant innovation and informed risk-taking.

Trust
Team work only works with a strong foundation of trust, which is why we need the utmost confidence in each other’s abilities. We aim to treat our people, our consumers and our customers with the respect and consideration they deserve.

Our Principles

Leadership
At P&G we are all leaders in our own sphere of responsibility. We believe that effective leaders, who consistently deliver breakthrough results, are team players with the ability to create environments that inspire and motivate others. Having a clear vision of where we’re going as a company enables us to focus our resources on leadership objectives and strategies. We continually develop capability to deliver our strategies and eliminate organizational barriers.

Ownership
Ownership is all about regarding P&G’s assets as our own. By prioritizing P&G’s long-term success and accepting personal accountability we can progress with greater efficiency, improve our systems and help our colleagues improve their effectiveness.

Integrity
We always aim to do the right thing both ethically and legally by upholding our values and principles in everything we do. We are information-driven and intellectually honest in supporting proposals and recognizing risks.