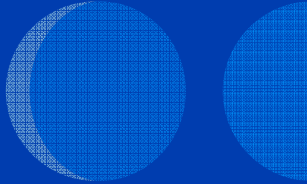


Global Engagement

A Responsibility and Opportunity

Bob McDonald
Chief Operating Officer



What's in the
center of your
world map?



If you live in Japan....



If you live in the Americas...



If you live in Europe.....



What Are Your Dreams?

- Different views, needs and expectations
- The same dreams



Shared Responsibility & Opportunity
Create Value
Make a Difference

- Consumers
- Shareholders
- Communities
- Employees

Purpose-Driven and Values-Led

P&G Purpose
 We will provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come.

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.

P&G Values
 Integrity
 Leadership
 Ownership
 Passion for Winning
 Trust

P&G Brands **P&G People**

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

P&G From 1980...to Today

	P&G in 1980	P&G in 2008
Annual Sales	\$10 Billion	\$80 Billion
% Sales Outside U.S.	25%	55%
Billion-Dollar Brands	0	23
Employees	61,200	138,000
Split-Adjusted Stock Price	\$2.32	\$70.00

Fortune 50:

Who among the top 50 of 1955 is still on the list today?

	<u>1955</u>	<u>2008</u>
Exxon-Mobil	2	2
General Motors	1	4
Chevron Texaco	4	3
Conoco Phillips	30	5
General Electric	4	6
Procter & Gamble	27	23
AT&T	15	10
Boeing	20	27
United Technologies	39	39

“It is not the strongest of the species that survives...nor the most intelligent...but the one most responsive to change...”

Charles Darwin

Why Global Engagement

Macro Level

- Nations, companies and communities more open to international trade and investment perform better
- Trade raises standard of living and drives growth



Why Global Engagement

Micro Level

- Individual U.S. firms, workers and communities grow when they work with the world
- Commitment to global engagement, not extent, drives growth
 - Study of nearly identical companies or communities; only difference is one is globally engaged
 - Productivity, growth rates, wages and job stability improved from 5-15%



(Source: Peterson Institute and U.S. Census Bureau)

Why Global Engagement

Success in global markets is a source of strength at a time of U.S. economic concerns

- This year, U.S. factories, companies and farmers will pass:
 - The \$1 trillion mark in annual manufacturing exports
 - Half-trillion dollars in service exports
 - \$100 billion in agricultural exports
- In last five years:
 - Manufacturing exports have doubled
 - More than 50% growth in services and agriculture



(Source: U.S. Commerce Department)

Why Global Engagement

Ohioans work with the world

- Last year, Ohioans exported more than \$42 billion of motor vehicles, metals, chemicals, appliances and other goods
 - Up 12% vs. 2006, 53% vs. 2002
- 13th among the states in total goods exports
- 40% of people engaged in Ohio manufacturing depend on exports for their daily work (National Association of Manufacturers)
- One out of three acres is planted for export (as commodity or processed foods)



Why Global Engagement

Ohioans work with the world

- P&G has 14,000 employees in Ohio
- 2 out of 5 work on our global business





- Global Engagement**
- Creates opportunities for growth
 - Raises standard of living
 - Improves lives

Supporting Global Engagement

Governments

- Provide economic openness, rule of law (transparent, fair, predictable commercial environment), infrastructure and well-educated citizens

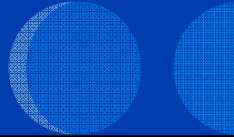
Businesses

- Operate responsibly
- Seize opportunity and lead change required to adapt and grow in the global marketplace



Companies must continuously remake themselves to adapt to global consumer and competitive demands

P&G's Four Success Factors

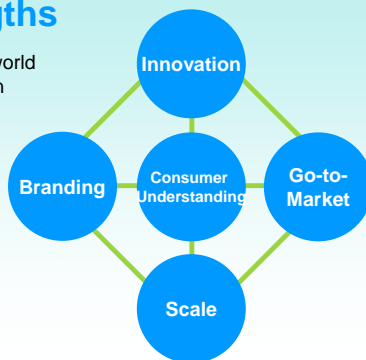


1 Make Working With The World A Core Strategy

- Core business – leading brands, countries, customers
- Faster growing, higher margin, more asset-efficient businesses
- Developing markets and lower income consumers

2 Strengthen Your Strengths

Working with the world requires renewal in almost every area



Consumer Understanding



- \$1 Billion invested since beginning of decade – more than any competitor and double the industry average
- Immersive research
 - Live with, shop with, and experience the world's consumers
 - Richer insights, faster speed to market

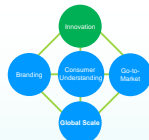
Brand-Building The Consumer is Boss



- Understand target consumers and their cultures
- Connect with consumers when and where our brands are most relevant to their lives

Innovation

- Our lifeblood
- Start with experiences consumers desire
- Right value is more than price
 - Downy Single Rinse helps Mexican consumers do laundry with less effort and less water
 - Different Pantene formulas because consumers in different regions have physiological differences



Go-to-Market

High Frequency Stores

- More than 20 million store fronts, homes and vendor carts
- Requires new distribution and sales models



Scale

- Unique operating structure
- Local everywhere we operate



Scale

- World's largest advertiser
- P&G's size and scale allows us to reach more consumers more ways and touch more lives
 - Pampers Unicef "One Pack = One Vaccine"
 - Launched in UK in 2006, Western Europe in 2007, North America last month
 - 70 million life-saving tetanus vaccines in Africa and Asia by the end of 2008

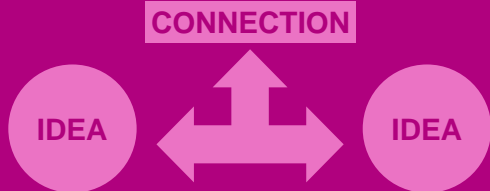


3 Leverage Diversity

- Reflect the diversity of the consumers we serve
- Diverse employees *and* suppliers
 - More than 140 nationalities among P&G employees – less than 40% are from North America
 - More than half of P&G Presidents hail from outside the U.S., 11 different countries
 - On track to spend \$2 Billion with diverse U.S. suppliers



Leverage Diversity Sparks ideas and innovation



4 Embed in Company's Purpose

- We must serve more consumers to grow and to fulfill our Purpose
- 6.5 billion people on the planet
 - P&G serves 3.5 billion today





Three billion live on less than \$2/day
One billion live on less than \$1/day



More than a billion lack clean water
5,000 babies and children die everyday



Approximately a billion are illiterate
120 million school-age children do not go to school

Global Engagement

Responsibility and Opportunity

- Through global engagement we can make a meaningful and lasting difference
 - In the last 60 years, more gains in economic freedom and living standards than all of history
 - In China alone, more than 225 million consumers emerged from poverty in the last 30 years
 - Economic gains have correlated to improved living standards, personal and political freedom
 - Responsibility and opportunity to lead change, create new value for our companies and communities, and leverage core strengths to improve lives
- Video



