

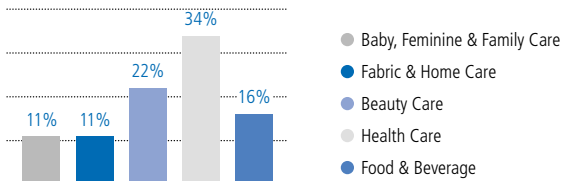
Back on Track

Getting back in the lead has certainly been “Job One” over the past two years. With clear strategic choices, operational excellence and financial discipline, we are now returning to the consistent, reliable earnings and cash growth that shareholders expect from P&G.

We are delivering long-term growth objectives ahead of plan. Our long-term goals are to consistently deliver double-digit core earnings per share growth, and 4% to 6% sales growth, excluding the impacts of foreign exchange. Core net earnings increased 10% to \$5.1 billion. Core diluted net earnings per share, which excludes the impact of restructuring charges and the prior-year amortization of goodwill and indefinite-lived intangibles (which is no longer required under new accounting rules), increased 10% to \$3.59. Core operating income increased 12% to \$7.6 billion. Volume for the year grew 7%. Sales were up 4%, excluding foreign exchange impact, despite corrective pricing actions taken over the last 18 months. Consumers have reacted positively to the improved value our brands now offer, with volume and sales growth accelerating in the second half of the year.

This growth is broad-scale. Every business unit delivered profitable growth at rates above the corporate objective. Every geographic region delivered volume growth. We have work yet to do, but we have achieved P&G’s long-term growth objectives a year earlier than we had projected.

Net Earnings Growth
(by segment versus previous year)



Net Sales Growth
(by quarter versus previous year)

