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GILLETTE CO
Form 425
March 22, 2005

Filed by The Gillette Company
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The following slides, along with the slide presentation that was originally filed by The Gillette Company on March 10, 2005 (SEC Accession Number 0000950103-05-000424), were presented at a Senior Leaders Meeting of The Gillette Company and have subsequently been posted to their internal web site:

The Gillette Company

Jim Kilts

Senior Leaders Meeting

March 16, 2005

Today's Agenda

AG Lafley CAGNY Presentation (summary)

Gillette CAGNY Presentation

Ned Guillet -- Transition Integration Update

Q & A

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A.G. Lafley

2005 CAGNY Conference

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P&G's Great Operating Strength

Over the past three years:

Sales growth in constant dollars has averaged more than 8 percent

- Well above P&G's long-term target of 4-6 percent

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P&G's Great Operating Strength

Over the past three years:

Sales growth in constant dollars has averaged more than 8 percent

- Well above P&G's long-term target of 4-6 percent

Organic sales have averaged a 5 percent increase

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P&G's Great Operating Strength

Over the past three years:

Sales growth in constant dollars has averaged more than 8 percent

- Well above P&G's long-term target of 4-6 percent

Organic sales have averaged a 5 percent increase

Delivered 3 years of double-digit EPS growth

- 2005 on track for 13-14 per cent growth

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P&G's Great Operating Strength

Strong, consistent growth in sales and earnings is the result of strategic choices that P&G made at the start of this decade

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P&G's Great Operating Strength

Strong, consistent growth in sales and earnings is the result of strategic choices that P&G made at the start of this decade

...choices that reflect their belief in balance and leadership

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P&G's Balance ...In Businesses, Customers And Markets

Unique combination of large, steadily growing household businesses

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P&G's Balance ...In Businesses, Customers And Markets

Unique combination of large, steadily growing household businesses

Faster-growing, higher-margin health, beauty and personal care businesses

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P&G's Balance ...In Businesses, Customers And Markets

In 1998, two-thirds of P&G's business was in household

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P&G's Balance ...In Businesses, Customers And Markets

In 1998, two-thirds of P&G's business was in household

Shifted toward a more even balance between household and HBA

13

Over The Last Three Years, They Have Grown Every One Of Their HBA Businesses

Now account for about 47 percent of total sales

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P&G Has Also Focused On Growing Their Billion -Dollar Brands ...

They have 16 billion-dollar brands today...

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P&G Has Also Focused On Growing Their Billion -Dollar Brands ...

They have 16 billion-dollar brands today...

...up from 10 just five years ago

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P&G Has Also Focused On Growing Their Billion -Dollar Brands ...

They have 16 billion-dollar brands today... ...up from 10 just five years ago
And growth on brands such as Tide, Pampers, Pantene, Olay and Head & Shoulders
has accelerated to double digit rates

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P&G Is Also Well Balanced In Their Mix Of Retail Customers

They have strong, strategic relationships with the largest leading retailers

18

P&G Is Also Well Balanced In Their Mix Of Retail Customers

They have strong, strategic relationships with the largest leading retailers P&G
volume with its Top 10 retail customers has averaged 7 per cent growth in the
first half of this fiscal year

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P&G Has Great Balance In Their Mix Of Developed And Developing Markets

Northeast Asia, North America and Western Europe are healthy and growing steadily

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P&G Has Great Balance In Their Mix Of Developed And Developing Markets

Northeast Asia, North America and Western Europe are healthy and growing steadily China, Russia, Mexico and Turkey are powerful engines of accelerated growth

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P&G Largest 16 Geographic Markets Represent 80 Percent Of Their Business

Big developed countries such as the US, UK, Japan and Germany

22

P&G Largest 16 Geographic Markets Represent 80 Percent Of Their Business

Big developed countries such as the US, UK, Japan and Germany Developing countries such as China, Russia, Mexico and Turkey

23

P&G Largest 16 Geographic Markets Represent 80 Percent Of Their Business

Big developed countries such as the US, UK, Japan and Germany Developing countries such as China, Russia, Mexico and Turkey Top 16 markets increased volume at 8 percent

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Leadership Is Another Key Element in P&G's Growth Model

P&G's brands are leading innovation in their product categories

25

Leadership Is Another Key Element in P&G's Growth Model

P&G's brands are leading innovation in their product categories Two-thirds of P&G sales come from categories where they are #1 in market share

26

Leadership Is Another Key Element in P&G's Growth Model

P&G's brands are leading innovation in their product categories Two-thirds of P&G sales come from categories where they are #1 in market share In addition, P&G has generated \$5 billion in retail sales in categories they didn't compete in five years ago

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Innovation

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Innovation

Scale

30

Innovation

Go To Market Capability

Scale

31

Branding

Innovation

Go To Market Capability

Scale

32

Structural Improvements

Branding

Innovation

Go To Market Capability

Scale

33

Innovation

34

Connect And Develop Strategy

Links innovation and technologies across businesses, geographies and disciplines

Innovation

Technologies

35

Connect And Develop Strategy

Links innovation and technologies across businesses, geographies and disciplines

It creates multiple internal linkages

Innovation

Technologies

36

Connect And Develop Strategy

Links innovation and technologies across businesses, geographies and disciplines
It creates multiple internal linkages And external connections with many quality
innovation partners

Innovation

Technologies

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Connect And Develop Strategy

Links innovation and technologies across businesses, geographies and disciplines
It creates multiple internal linkages And external connections with many quality
innovation partners Technology expertise

Innovation

Technologies

38

Connect And Develop Strategy

Links innovation and technologies across businesses, geographies and disciplines
It creates multiple internal linkages And external connections with many quality
innovation partners Technology expertise Ability to commercialize newly
developed products

Innovation

Technologies

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Leading Brands

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Leading Brands

Breakthrough Technologies

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Leading Brands

Breakthrough Technologies

Great Design

42

21 Leading Brands

43

We Have Complimentary Consumer Knowledge and Technologies ...

In Oral Care... Skin Care... Shaving ... Hair Removal

44

Two Areas With Strong Potential For Profitable Innovation Are...

Women's Hair Removal

45

Two Areas With Strong Potential For Profitable Innovation Are...

Women's Hair Removal

\$10 Billion

46

Two Areas With Strong Potential For Profitable Innovation Are...

Women's Hair Removal

\$10 Billion

+8%

47

Two Areas With Strong Potential For Profitable Innovation Are...

Men's Personal Care

48

Two Areas With Strong Potential For Profitable Innovation Are...

Men's Personal Care

\$16 Billion

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The Two Companies Have Complimentary Innovation Capabilities In Design

Powerful emotional connections that deliver "wow" experiences for consumers

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P&G Scale

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Scale Is The Key To Commercializing
Innovation Affordably And Profitably

- o Greater cash and cost discipline

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Scale Is The Key To Commercializing
Innovation Affordably And Profitably

- o Greater cash and cost discipline
- o Deliver superior consumer value

53

Scale Is The Key To Commercializing
Innovation Affordably And Profitably

- o Greater cash and cost discipline
- o Deliver superior consumer value
- o Strong shareholder value

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Eliminate \$1 billion in
cost through synergies
by Year 3

55

P&G The
 Gillette
 Company

- o Rigorous strategic, operating and financial discipline

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P&G The
 Gillette
 Company

- o Rigorous strategic, operating
and financial discipline
- o Constant turnaround mentality

57

P&G The
Gillette
Company

- o Rigorous strategic, operating and financial discipline
- o Constant turnaround mentality
- o Focus on continually finding new ways to do more with less

58

P&G Go To
Market
Capability

59

P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best

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P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best
 - Developing deeper local consumer understanding

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P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best
 - Developing deeper local consumer understanding
 - Better shopper knowledge

62

P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best
 - Developing deeper local consumer understanding
 - Better shopper knowledge
 - Stronger customer partnerships

63

P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best
 - Developing deeper local consumer understanding
 - Better shopper knowledge
 - Stronger customer partnerships
- o Increased capacity to execute with excellence

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P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best
 - Developing deeper local consumer understanding
 - Better shopper knowledge
 - Stronger customer partnerships
- o Increased capacity to execute with excellence
 - Doubled the number of initiatives they are delivering per year

65

P&G's Organization Structure Is A
Key Factor

- o Market development groups focus exclusively on what they do best
 - Developing deeper local consumer understanding
 - Better shopper knowledge
 - Stronger customer partnerships
- o Increased capacity to execute with excellence
 - Doubled the number of initiatives they are delivering per year
 - New product rollouts accomplished in one year

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Gillette Provides Additional
Opportunities To Improve This Strength

- o By bringing additional brands into the P&G line-up

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Gillette Provides Additional Opportunities To Improve This Strength

- o By bringing additional
brands into the P&G
line-up

- o P&G can distribute
Gillette brands more
deeply and cost-
effectively

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China Is A Good Example...

Shaving

Batteries

Oral Care

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China Is A Good Example...

Shaving Batteries

60
Cities

Oral Care

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China Is A Good Example...

P&G
14 Brands

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China Is A Good Example...

P&G	2,000 Cities
14 Brands	11,000 Towns

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There Are Similar Opportunities In Other
Developed And Developing Markets

Russia

Japan

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There Are Similar Opportunities In Other
Developed And Developing Markets

The
Gillette
Company

Russia

India

Brazil

Japan

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P&G Branding

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They Are Redefining Their Brand
Equities More Broadly...

Pampers stands for baby care

76

They Are Redefining Their Brand
Equities More Broadly...

Crest stands for healthy smiles
for life...

77

They Are Redefining Their Brand
Equities More Broadly...

Olay stands for all that is beautiful
in women...

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P&G Is Identifying And Commercializing
A Much Bigger Pipeline Of Innovation...

- o Thinking more expansively
about how and where they
reach consumers

79

Gillette Capabilities Add Significant
Support To All These Activities...

- o Innovation...with great
product launch skills and

in-store execution

80

Gillette Capabilities Add Significant Support To All These Activities...

- o Innovation...with great product launch skills and in-store execution
- o Gillette brands are leaders in advantaged categories

81

Gillette Capabilities Add Significant Support To All These Activities...

- o Innovation...with great product launch skills and in-store execution
- o Gillette brands are leaders in advantaged categories
- o Trade-up abilities keep these categories growing with leadership innovation

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P&G The
Gillette
Company

83

P&G The
Gillette
Company

- o Faster innovation...delivered affordably and profitably...

84

P&G The
Gillette
Company

- o Faster innovation...delivered affordably and profitably...
- o Deep local knowledge and strong retail partnerships...

85

P&G The
Gillette
Company

- o Faster innovation...delivered affordably and profitably...
- o Deep local knowledge and strong retail partnerships...
- o Commercialized more successfully and consistently

86

P&G The
Gillette
Company

Sustained growth and
superior shareholder
return

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P&G

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The
Gillette
Company

Brands, Technologies
and Design

P&G +

89

The
Gillette
Company

Brands, Technologies
and Design

P&G +

The
Gillette
Company

Synergies and Constant
Turnaround Mentality

90

The
Gillette

Brands, Technologies
and Design

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Company

P&G + The Synergies and Constant
 Gillette Turnaround Mentality
 Company

 The Developing Market
 Gillette Opportunity and Trade-Up Ability
 Company

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 The Brands, Technologies
 Gillette and Design
 Company

P&G + The Synergies and Constant
 Gillette Turnaround Mentality
 Company

 The Developing Market
 Gillette Opportunity and Trade-Up Ability
 Company

 The Marketing Brilliance
 Gillette
 Company

92

And You Get More Wins With Consumers

...on more brands

93

And You Get More Wins With Consumers

...on more brands

...in more markets

94

And You Get More Wins With Consumers

...on more brands

...in more markets

...in more aisles

95

And You Get More Wins With Consumers

...on more brands

...in more markets

...in more aisles

More and Greater Returns for Shareholders

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P&G

The
Gillette
Company

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P&G

5-7% Sales
Growth

The
Gillette
Company

98

P&G

5-7% Sales 24-25%

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The
Gillette
Company

Growth Operating
 Margins

99

P&G 5-7% Sales 24-25% Double Digit
 Growth Operating EPS Growth
The
Gillette
Company

 Margins

100

P&G The
 Gillette
 Company

...A great deal for consumers,
customers, employees and shareholders

101

The Gillette Company

Analyst Reaction

=====
"P&G and Gillette made a compelling case that both have significant momentum on their own.

This is a 'game over' combination that will alter the dynamics in key emerging markets."

B. Pecoriello, Morgan Stanley

Analyst Reaction

=====
"Gillette presented fabulous numbers!

The presentation crystallized in my mind that the emerging markets opportunities are too good to ignore and that this merger with P&G is the best way to get at it. It helped to dig down to the nitty-gritty of the positives of the deal."

Fidelity Management & Research

Analyst Reaction

=====
"A fantastic review of Gillette's business dynamics that made you want to buy the stock now! It left me feeling good about the top-line prospects."

Wellington Management Company

The Gillette Company

Blank for commercial

New Commercial Reel
3 Spots

The Gillette Company

Today's Agenda

=====

- o AG Lafley CAGNY Presentation (summary)
 - o Gillette CAGNY Presentation
 - o Ned Guillet Transition Integration Update
 - o Q & A
-

The Gillette Company

Ned Guillet

Today, I Will Cover

=====

- o Establishing the Transition Team
- o Communication
- o Transition Programs and Associate Support

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- o Establishing the Transition Team
- o Communication
- o Transition Programs and Associate Support

Establishing The Transition Team

=====

The Gillette Company

Transition Steering Committee

Co-Chair:
Jim Kilts
Members:

Human Resources:	Ned Guillet
Commercial Operations:	Joe Dooley, Ed Shirley
GTM:	Ed DeGraan, Mike Cowhig, Joe Scalzo
IT@G:	Kathy Lane
Finance:	Chuck Cramb
Legal:	Richard Willard

Strategy & Planning: Peter Klein

Establishing The Transition Team
=====

- o Set overall integration and transition direction
- Gillette Transition Steering Committee
 - o Determine the combined organization structure
- Jim Kilts
 - o Field the best team
- Gillette OpCom Members-->
 - o Ensure alignment and focus with P&G on what must get done
 - o Review and approve implementation plans
 - o Monitor progress

Fielding The Best Team
=====

We Are Developing A Process With P&G to...

Fielding The Best Team
=====

We Are Developing A Process With P&G to...

- o Staff the organization with the best leaders from each company whenever possible... starting at the top levels of the organization

Fielding The Best Team

=====

We Are Developing A Process With P&G to...

- o Staff the organization with the best leaders from each company whenever possible...
starting at the top levels of the organization
- o Involve senior management from both companies in top-to-top discussions/plans

Fielding The Best Team

=====

We Are Developing A Process With P&G to...

- o Staff the organization with the best leaders from each company whenever possible...
starting at the top levels of the organization
- o Involve senior management from both companies in top-to-top discussions/plans
- o Ensure oversight of the process by senior HR leaders... Dick Antoine and Ned Guillet

Fielding The Best Team

=====

We Are Developing A Process With P&G to...

- o Ensure discussions are fact-based and driven by:
 - Vision for future organizational structure and product lines
 - Need for talent upgrades
 - Gaps in succession planning
 - Existing vacancies
 - Anticipated vacancies

Fielding The Best Team

=====

We Are Developing A Process With P&G to...

- o Maintain a focus on diversity ... gender, race, cultural, geographic, business acumen and experience, etc.

Fielding The Best Team

=====

We Are Developing A Process With P&G to...

- o Maintain a focus on diversity... gender, race, cultural, geographic, business acumen and experience, etc.
- o Move as quickly as possible after the merger is approved

Today, I Will Cover

- =====
- o Establishing the Transition Team
 - o Communication
 - o Transition Programs and Associate Support

Communication Will Be Key During This Transition Period

- =====
- o There will always be speculation... that's because decisions have not been made
-

Communication Will Be Key During This Transition Period

- =====
- o There will always be speculation... that's because decisions have not been made
 - o When decisions are made, we will let you know
-

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- =====
- o There will always be speculation... that's because decisions have not been made
 - o When decisions are made, we will let you know
 - o What you hear or read from outside sources is not always true!
-

Communication Will Be Key During This Transition Period

- =====
- o There will always be speculation... that's because decisions have not been made
 - o When decisions are made, we will let you know
 - o What you hear or read from outside sources is not always true!
 - o We have a full communications calendar planned, with weekly updates that will answer Associates' ongoing questions and provide further information about P&G
-

Communication Will Be Key During This Transition Period

- =====
- We Will Give You The Facts...
- o There will be job losses... about 4 percent of the joint workforce
-

Communication Will Be Key During This Transition Period

=====

We Will Give You The Facts...

- o There will be job losses... about 4 percent of the joint workforce
- o We have created the transition steering team and will hold a kickoff meeting on April 1st

Communication Will Be Key During This Transition Period

=====

We Will Give You The Facts...

- o There will be job losses ... about 4 percent of the joint workforce
- o We have created the transition steering team and will hold a kickoff meeting on April 1st
- o The merger process could take 6-9 months

Communication Will Be Key During This Transition Period

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We Will Give You The Facts...

- o There will be job losses... about 4 percent of the joint workforce
- o We have created the transition steering team and will hold a kickoff meeting on April 1st
- o The merger process could take 6-9 months
- o Gillette shareholders will vote on the merger at a special meeting... sometime after this year's Annual Meeting on May 12

Communication Will Be Key During This Transition Period

=====

We Will Give You The Facts...

- o There will be job losses... about 4 percent of the joint workforce
- o We have created the transition steering team and will hold a kickoff meeting on April 1st
- o The merger process could take 6-9 months

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- o Gillette shareholders will vote on the merger at a special meeting...
sometime after this year's Annual Meeting on May 12
 - o Regulatory approval will be the final step in the transaction
-

Today, I Will Cover

- =====
- o Establishing the Transition Team
 - o Communication
 - o Transition Programs and Associate Support
-

XXTransition Programs and Associate Support

- =====
- o We have issued guidance to associates and retirees on:
 - >> Severance
 - >> Compensation
 - >> Benefits
-

Transition Programs and Associate Support

- =====
- o We have issued guidance to associates and retirees on:
 - >> Severance
 - >> Compensation
 - >> Benefits
 - o We have issued five bulletins on various HR issues to associates and retirees
-

Transition Programs and Associate Support

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- ```
=====
```
- o We have issued guidance to associates and retirees on:
    - >> Severance
    - >> Compensation
    - >> Benefits
  - o We have issued five bulletins on various HR issues to associates and retirees
  - o We have launched the new Gillette-P&G intranet site on Insight to act as the focal point for merger information
- 

### Transition Programs and Associate Support

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=====
```

- o We have issued guidance to associates and retirees on:
    - >> Severance
    - >> Compensation
    - >> Benefits
  - o We have issued five bulletins on various HR issues to associates and retirees
  - o We have launched the new Gillette-P&G intranet site on Insight to act as the focal point for merger information
  - o We have provided enhanced Employee Assistance Program (EAP) support
- 

### Transition Programs and Associate Support

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- o This week, we are launching, in collaboration with RHR International, a new training program available to all managers globally, entitled...

"Leadership in Times of Organization Change"

that will focus on ...

- >> Key leadership skills needed in times of change and uncertainty
  - >> Maintaining business momentum
  - >> Retaining and engaging associates
- 

### Transition Programs and Associate Support

```
=====
```

- o There are many questions to which we do not have answers... yet

Transition Programs and Associate Support

- =====
- o There are many questions to which we do not have answers... yet
  - o When we have the answers... we will give them to you
- 

Transition Programs and Associate Support

- =====
- o There are many questions to which we do not have answers... yet
  - o When we have the answers... we will give them to you
  - o In the meantime our best course of action is to remain focused on achieving business results and other key objectives
- 

The Gillette Company

\* \* \*

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FORWARD-LOOKING STATEMENTS

This document includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "anticipate," "believe," "expect," "estimate," "plan," "outlook," and "project" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters.

Investors are cautioned that such forward-looking statements with respect to revenues, earnings, performance, strategies, prospects and other aspects of the businesses of The Gillette Company ("Gillette"), The Procter & Gamble Company ("P&G") and the combined company after completion of the proposed transaction are based on current expectations that are subject to risks and uncertainties. A number of factors could cause actual results or outcomes to differ materially from those indicated by such forward-looking statements. These factors include, but are not limited to, the following risks and uncertainties: those set forth in Gillette's and P&G's filings with the Securities and Exchange Commission ("SEC"), the failure to obtain and retain expected synergies from the proposed transaction, failure of Gillette and P&G stockholders to approve the transaction, delays in obtaining, or adverse conditions contained in, any required regulatory approvals, failure to consummate or delay in consummating the transaction for other reasons, changes in laws or regulations and other similar factors. Readers are referred to Gillette's and P&G's most recent reports filed with the SEC. Gillette and P&G are under no obligation to (and expressly disclaim any such obligation to) update or alter their forward-looking statements whether as a result of new information, future events or otherwise.

### **Additional Information and Where to Find It**

This filing may be deemed to be solicitation material in respect of the proposed merger of Gillette and P&G. On March 14, 2005, P&G filed with the SEC a registration statement on Form S-4, including the preliminary joint proxy statement/prospectus constituting a part thereof.

SHAREHOLDERS OF GILLETTE AND SHAREHOLDERS OF P&G ARE URGED TO READ THE REGISTRATION STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR THAT WILL BE FILED WITH THE SEC, INCLUDING THE DEFINITIVE JOINT PROXY STATEMENT/PROSPECTUS THAT WILL BE PART OF THE DEFINITIVE REGISTRATION STATEMENT, AS THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. The final joint proxy statement/prospectus will be mailed to shareholders of Gillette and shareholders of P&G. Investors and security holders may obtain a free copy of the disclosure documents (when they are available) and other documents filed by Gillette and P&G with the Commission at the Commission's website at [www.sec.gov](http://www.sec.gov), from The Gillette Company, Prudential Tower, Boston, Massachusetts, 02199-8004, Attention: Office of the Secretary, or from The Procter & Gamble Company, Investor Relations, P.O. Box 599, Cincinnati, OH 45201-0599.

### **Participants in the Solicitation**

Gillette, P&G and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies from their respective shareholders in respect of the proposed transactions. Information regarding Gillette's directors and executive officers is available in Gillette's proxy statement for its 2004 annual meeting of shareholders, which was filed with the SEC on April 12, 2004, and information regarding P&G's directors and executive officers is available in P&G's proxy statement for its 2004 annual meeting of shareholders, which was filed with the SEC on August 27, 2004. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and the other relevant documents filed with the SEC when they become available.