

GILLETTE CO  
Form 424B2  
August 25, 2004

Filed Pursuant to Rule 424(b) (2)  
File No. 333-101112

PROSPECTUS SUPPLEMENT

AUGUST 23, 2004

(TO PROSPECTUS DATED NOVEMBER 15, 2002)

[GILLETTE LOGO]

\$300,000,000

THE GILLETTE COMPANY  
3.80% SENIOR NOTES DUE 2009

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The notes will mature on September 15, 2009. Interest on the notes will be payable on each March 15 and September 15, commencing March 15, 2005. The notes will not be redeemable prior to maturity, and will not be subject to any sinking fund.

The notes will be our direct, unsecured and unsubordinated obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding.

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The underwriters propose to offer the notes from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. The underwriters have agreed to purchase the notes from us at 99.749% of their principal amount (\$299,247,000 aggregate proceeds, before expenses, to us), subject to the terms and conditions of the underwriting agreement between the underwriters and us.

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The Securities and Exchange Commission and state securities regulators have not approved or disapproved of these securities, or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the notes only in book-entry form through the facilities of The Depository Trust Company on or about August 30, 2004.

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Joint Book-Running Managers

BANC OF AMERICA SECURITIES LLC

MORGAN STANLEY

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement describes the specific terms of the notes that

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we are offering and supplements the accompanying prospectus that is attached to the back of this prospectus supplement. This prospectus supplement modifies the accompanying prospectus to the extent it contains information that is different from or additional to the information in that prospectus.

This prospectus supplement contains forward-looking statements. For a description of these statements and a discussion of the factors that may cause our actual results to differ materially from these statements, see "Note Regarding Forward-Looking Statements".

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus supplement to "Gillette," the "Company," "we," "us," "our" or similar references mean The Gillette Company.

### NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus and the documents incorporated by reference in this prospectus supplement and the accompanying prospectus may contain "forward-looking statements" under the federal securities laws. Forward-looking statements may be identified by words such as "plans," "expects," "believes," "anticipates," "estimates," "projects," "will" and other words of similar meaning used in conjunction with, among other things, discussions of future operations, acquisitions and divestitures, financial performance, our strategy for growth, product development and new product launches, market position and expenditures.

Forward-looking statements are based on current expectations of future events, but actual results could vary materially from our expectations and projections. Investors are cautioned not to place undue reliance on any forward-looking statements. We assume no obligation to update any forward-looking statements. We caution that historical results should not be relied upon as indications of future performance.

Factors that could cause actual results to differ materially from those expressed in any forward-looking statement include, but are not limited to:

- the pattern of our sales, including variations in sales volume within periods;
- consumer demands and preferences, including the acceptance by our customers and consumers of new products and line extensions;
- the mix of products sold;
- our ability to control and reduce our internal costs and the cost of raw materials;
- competitive factors, including prices, promotional incentives and trade terms for our products, and our response, as well as those of our customers and competitors, to changes in these terms;
- product introductions and innovations by us and our competitors;
- technological advances by us and our competitors;
- new patents granted to us or our competitors;
- changes in exchange rates in one or more of our geographic markets;
- changes in laws and regulations, including trade regulations, accounting standards and tax laws, governmental actions affecting the manufacturing and sale of our products, unstable governments and legal systems, and

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- nationalization of industries;
- changes in accounting policies;
- acquisition, divestitures, and similar transactions by us, our competitors, or customers; and

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- the impact of general political and economic conditions or hostilities in the United States and in other parts of the world.

Please refer to the Cautionary Statements contained in our filings with the SEC that are incorporated by reference in this prospectus supplement and the accompanying prospectus for a more detailed explanation of the inherent limitations of our forward-looking statements.

### RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth our consolidated ratio of earnings to fixed charges for each of the periods indicated.

SIX MONTHS ENDED JUNE 30,		FISCAL YEAR ENDED DECEMBER 31,				
2004	2003	2003	2002	2001	2000	1999
26.2x	17.3x	21.4x	14.5x	8.2x	5.7x	12.3x

For purposes of calculating these ratios, earnings consist of income from continuing operations before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.

### USE OF PROCEEDS

We estimate that the net proceeds from this offering will be approximately \$299.15 million, after deducting estimated expenses of \$100,000. We will use the net proceeds from the sale of the notes for the repayment of some of our outstanding short-term commercial paper, which had an average maturity of one day and a weighted average annual interest rate of 1.45% as of August 23, 2004.

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### DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes supplements the description of the general terms of the debt securities under the caption "Description of Debt Securities" in the accompanying prospectus.

We will issue the notes under an indenture dated as of April 11, 2002, as supplemented by a fourth supplemental indenture, between us and J.P. Morgan Trust Company, National Association, successor to Bank One, N.A., as trustee. The indenture is an exhibit to the registration statement containing the accompanying prospectus that we filed with the SEC.

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### GENERAL

The notes offered by this prospectus supplement will be our direct, unsecured and unsubordinated obligations and will rank equally in right of payment with all of our other unsecured and unsubordinated indebtedness from time to time outstanding. We may, without the consent of the holders of the notes, issue additional debt securities having the same ranking and the same interest rate, maturity and other terms as the notes other than the date of original issuance and the interest commencement date. Any additional debt securities having such similar terms, together with the notes, will constitute a single series of debt securities under the indenture.

The notes will be issued in fully registered form, without coupons, in minimum denominations of \$2,000 or integral multiples of \$1,000 in excess thereof. The notes will be denominated and payable in U.S. dollars. The notes will be initially issued as global securities. See "--Book-Entry, Delivery and Form" below for additional information concerning the notes and the book-entry system. The Depository Trust Company, or DTC, will be the depository with respect to the notes. Settlement of the sale of the notes to the underwriters will be in immediately available funds. The notes will trade in DTC's Same-Day Funds Settlement System until maturity, and secondary market trading activity in the notes will therefore settle in immediately available funds.

The defeasance provisions described in the accompanying prospectus under "Description of Debt Securities--Defeasance" will apply to the notes.

### PRINCIPAL AND MATURITY

The aggregate principal amount of the notes offered under this prospectus supplement is \$300,000,000. The notes will mature on September 15, 2009.

### REDEMPTION AND REPAYMENT

The notes do not have a sinking fund. The notes will not be subject to redemption at our option or repayment at the option of holders prior to maturity.

### INTEREST

The notes will bear interest at 3.80% per year (computed based on a 360-day year consisting of twelve 30-day months) from, and including, the date of issuance or from the most recent date to which interest has been paid or otherwise made available for payment by us. Interest on the notes will be payable semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2005. Interest payments will be made to the persons in whose names the notes are registered at the close of business on the first day, whether or not a business day, of the calendar month in which the related interest payment date occurs (e.g., interest payments will be made on March 15 to holders of record at the close of business on March 1).

### PAYMENTS OF PRINCIPAL AND INTEREST

We will make all payments of principal and interest in immediately available funds to DTC in The City of New York. If any interest payment date or the maturity date of a note falls on a day that is not a business day, we will make the required payment of principal and/or interest on the next succeeding business day, and no additional interest will accrue for the period from such interest payment date or maturity date. Business day

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means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which commercial banks are authorized or required by law, regulation or executive order to close in The City of New York.

### BOOK-ENTRY, DELIVERY AND FORM

We have established depository arrangements with DTC with respect to the notes, the terms of which are summarized in the accompanying prospectus under "Global Securities." In addition to the information contained in the accompanying prospectus, the following information may be relevant to some investors.

Investors may elect to hold interests in the notes through Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), or Clearstream Banking, societe anonyme ("Clearstream, Luxembourg"), if they are participants in these systems, or indirectly through organizations that are participants in these systems. Euroclear and Clearstream, Luxembourg hold securities on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which in turn hold the securities in customers' securities accounts in the depositories' names on the books of DTC.

Euroclear and Clearstream, Luxembourg have informed us that Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Investors electing to hold their notes through Euroclear or Clearstream, Luxembourg accounts will follow the settlement procedures applicable to conventional eurobonds.

Secondary market sales of book-entry interests in the notes held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the notes through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional eurobonds.

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### UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, we have agreed to sell to each of the underwriters, and each underwriter has severally, and not jointly, agreed to purchase from us, the aggregate principal amount of notes set forth opposite its name below:

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UNDERWRITER -----	PRINCIPAL AMOUNT -----
Banc of America Securities LLC.....	\$150,000,000
Morgan Stanley & Co. Incorporated.....	150,000,000
	-----
Total.....	\$300,000,000 =====

Banc of America Securities LLC and Morgan Stanley & Co. Incorporated are joint book-running managers for the offering. The underwriters propose to offer the notes from time to time for sale in negotiated transactions, or otherwise, at varying prices to be determined at the time of each sale. In connection with the sale of the notes, the underwriters may be deemed to have received compensation from us in the form of underwriting discounts. The underwriters may effect such transactions by selling the notes to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters and/or purchasers of the notes for whom they may act as agents or to whom they may sell as principal.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments they may be required to make in respect of any of these liabilities.

We will pay transaction expenses, estimated to be approximately \$100,000, relating to the offering of the notes.

We expect that delivery of the notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be on the fifth business day following the date on which the notes are priced. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days after the date the securities are priced, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of pricing or on the next succeeding business day will be required, by virtue of the fact that the notes will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement; such purchasers should also consult their own advisors in this regard.

In the ordinary course of their businesses, the underwriters and their affiliates have engaged and may in the future engage in commercial banking and/or investment banking transactions with us and/or with our affiliates for which they have received, and will in the future receive, customary fees.

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LEGAL MATTERS

The validity of the notes will be passed upon for us by Ropes & Gray LLP, Boston, Massachusetts. Sidley Austin Brown & Wood LLP, New York, New York will act as counsel for the underwriters.

EXPERTS

The consolidated financial statements of The Gillette Company as of December 31, 2003 and 2002, and for each of the years in the three-year period

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ended December 31, 2003, have been incorporated by reference in this prospectus supplement and the accompanying prospectus in reliance upon the report of KPMG LLP, independent registered public accounting firm, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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PROSPECTUS

\$1,300,000,000

[GILLETE LOGO]

DEBT SECURITIES

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We may offer and sell our unsecured debt securities from time to time in one or more series.

We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the accompanying prospectus supplement carefully before you invest.

This prospectus may be used to offer and sell securities only if accompanied by the prospectus supplement for those securities.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS OR THE ACCOMPANYING PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The Gillette Company  
Prudential Tower Building  
Boston, Massachusetts 02199  
(617) 421-7000

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The date of this prospectus is November 15, 2002

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### ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or "SEC", using a "shelf" registration process. Under this shelf process, we may issue from time to time the debt securities described in this prospectus in one or more offerings up to an aggregate initial offering price of \$1,300,000,000.

This prospectus provides a general description of the debt securities we may offer. Each time we sell debt securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add, update or change information contained in this prospectus. If the terms of the debt securities described in this prospectus and the accompanying prospectus supplement vary, you should rely on the information contained in the prospectus supplement.

You should read both this prospectus and any prospectus supplement, together with the additional information described under the headings "Where You Can Find More Information" and "Incorporation of Documents by Reference."

Unless otherwise indicated or unless the context requires otherwise, all references in this prospectus to "Gillette," the "Company," "we," "us," "our" or similar references mean The Gillette Company and its subsidiaries.

### NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference in this prospectus may contain "forward-looking statements" under the federal securities laws. Forward-looking statements may be identified by words such as "plans," "expects," "believes," "anticipates," "estimates," "projects," "will" and other words of similar meaning used in conjunction with, among other things, discussions of future operations, acquisitions and divestitures, financial performance, our strategy for growth, product development and new product launches, market position and expenditures.

Forward-looking statements are based on our current expectations of future



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events, but actual results could vary materially from our expectations and projections. Investors are cautioned not to place undue reliance on any forward-looking statements. We assume no obligation to update any forward-looking statements. We caution that historical results should not be relied upon as indications of future performance.

Factors that could cause actual results to differ materially from those expressed in any forward-looking statements include, but are not limited to:

- the pattern of our sales, including variations in sales volume within periods;
- consumer demands and preferences including the acceptance by our customers and consumers of new products and line extensions;
- the mix of products sold;
- our ability to control our internal costs and the cost of raw materials;
- competitive factors including the prices, promotional incentives and trade terms of our products and our response and the response of our customers and competitors to changes in these items;
- technological advances by us and our competitors;
- new patents granted to us and our competitors;
- changes in exchange rates in one or more of our geographic markets;
- changes in accounting policies;
- acquisition and divestiture activities; and
- the impact of general economic conditions in the United States and in other countries in which we currently do business.

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Please refer to the Cautionary Statements contained in our filings with the SEC that are incorporated by reference in this prospectus for a more detailed explanation of the inherent limitations of our forward-looking statements.

### WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement under the Securities Act of 1933 that registers the offer and sale of the debt securities described in this prospectus. The registration statement, including its exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit from this prospectus some information included in the registration statement.

In addition, we file annual, quarterly and special reports, proxy statements and other information with the SEC. Our SEC filings are available over the Internet at the SEC's website at <http://www.sec.gov> and at our website at <http://www.gillette.com>. Our website is not part of this prospectus.

You also may read and copy any document we file with the SEC at its public reference facility:

Public Reference Room  
450 Fifth Street, N.W.

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Room 1024  
Washington, D.C. 20549

You also may obtain copies of the documents at prescribed rates by writing to the SEC's public reference facility. Please call 1-800 SEC-0330 for further information on the operations of the public reference facility and copying charges. Our SEC filings also are available at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

### INCORPORATION OF DOCUMENTS BY REFERENCE

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. We incorporate by reference in this prospectus the documents listed below:

- Our Annual Report on Form 10-K for the year ended December 31, 2001.
- Our Quarterly Report on Form 10-Q for the quarter ended March 31, 2002.
- Our Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.
- Our Quarterly Report on Form 10-Q for the quarter ended September 30, 2002.
- Our Current Reports on Form 8-K as filed with the SEC on August 6, 2002.
- Our Current Report on Form 8-K as filed with the SEC on August 23, 2002.
- Our Current Report on Form 8-K as filed with the SEC on October 1, 2002.
- Our Current Report on Form 8-K as filed with the SEC on October 29, 2002.

We also incorporate by reference any future filings we make with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until we have sold all of the debt securities or the offering is otherwise terminated. The information incorporated by reference is considered to be part of this prospectus, and the information that we file later with the SEC will automatically update and supersede this information.

You can obtain any of the documents incorporated by reference in this prospectus from us, or from the SEC through the SEC's website at the address described above. Upon written or oral request, we will provide without charge to each person, including any beneficial owner, to whom this prospectus is delivered a copy of any or all of the documents that have been incorporated by reference in this prospectus other than exhibits to such documents (unless such exhibits are specifically incorporated by reference in any such documents).

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Requests for such copies should be directed to The Gillette Company, Prudential Tower Building, Boston, Massachusetts 02199, Attention: Investor Relations, or by telephone to Investor Relations at (617) 421-7000.

We have not authorized anyone to give any information or make any representation about us that is different from, or in addition to, the information and representations contained in this prospectus or in any of the materials that we have incorporated by reference into this prospectus. If you are in a jurisdiction where offers to sell, or solicitations of offers to purchase, the securities offered by this prospectus are unlawful, or if you are a person to whom it is unlawful to direct these activities, then the offer presented in this prospectus does not extend to you. The information contained

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in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies.

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### THE COMPANY

#### OUR BUSINESS

Founded in 1901, The Gillette Company is a Delaware corporation. As of December 31, 2001, we had manufacturing operations at 34 facilities in 15 countries and distributed our products through wholesalers, retailers and agents in over 200 countries and territories. The common stock of the Gillette Company is listed on the Boston, Chicago, New York and Pacific Stock Exchanges in the United States under the symbol "G" and on the Berlin, Dusseldorf and Frankfurt Stock Exchanges.

Our principal executive offices are located at Prudential Tower Building, Boston, Massachusetts 02199. Our telephone number at that address is (617) 421-7000.

We manufacture and sell a wide variety of consumer products throughout the world. We have five principal business segments.

#### BLADES AND RAZORS

We are the world leader in blades and razors.

We sell our male shaving systems under the Mach3Turbo, Mach3, SensorExcel, Sensor, Atra, and Trac II brands and our male disposable razors under the Custom Plus and Good News brands.

We sell our female shaving systems under the Gillette for Women Venus, Sensor Excel for Women and Sensor for Women brands and our female disposable razors under the Daisy and Agility brands.

#### DURACELL

We are the world leader in alkaline batteries for consumers. Our products include the CopperTop and Duracell Ultra alkaline batteries and Duracell primary lithium, zinc air and rechargeable nickel-metal hydride batteries.

#### ORAL CARE

We are the world leader in manual and power toothbrushes. We offer manual and power toothbrushes under the Oral-B brand and power toothbrushes under the Braun Oral-B brand.

#### PERSONAL CARE

We sell shave preparations, after-shave products and deodorants and antiperspirants under the Gillette Series, Satin Care, Right Guard, Soft & Dri and Dry Idea brands.

#### BRAUN

We sell electric shavers under the Braun brand and hair epilators under the Silk Epil brand. These products include the number one foil electric shaver for men and the number one hair epilator for women. We also sell small household appliances under the Braun brand.

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For additional information about our business, please see our Form 10-K for the fiscal year ended December 31, 2001, and our other filings with the SEC that are incorporated by reference into this prospectus.

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### SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The following table sets forth selected financial data as of and for the six fiscal years ended December 31, 2001, 2000, 1999, 1998, 1997 and 1996 and as of and for the nine months ended September 30, 2002 and 2001. We derived the financial data as of the end of and for each of the fiscal years 1996-2001 from our audited consolidated financial statements. The summary historical financial data as of and for the nine months ended September 30, 2002 and 2001 were derived from our unaudited consolidated financial statements. These data are qualified in their entirety by, and should be read together with, the more detailed information appearing in our consolidated historical financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information incorporated by reference into this prospectus.

	NINE MONTHS ENDED SEPTEMBER 30,		YEARS ENDED DECEMBER 31,			
	2002	2001	2001 (A)	2000 (B)	1999	1998
(MILLIONS, EXCEPT PER SHARE AMOUNTS)						
<b>SUMMARY OF OPERATIONS</b>						
Net Sales (e) (g)	\$ 5,924	\$ 5,666	8,961	9,225	9,074	9,074
Profit from Operations (e)	\$ 1,299	1,167	1,498	1,512	2,087	1,998
Income before Income Taxes						
Continuing	\$ 1,261	1,029	1,342	1,288	1,912	1,912
Discontinued	\$ --	--	--	(531)	18	--
	-----	-----	-----	-----	-----	-----
	1,261	1,029	1,342	757	1,930	1,912
Net Income						
Continuing	\$ 870	710	910	821	1,248	1,248
Discontinued	\$ --	--	--	(429)	12	--
	-----	-----	-----	-----	-----	-----
	870	710	910	392	1,260	1,248
Weighted Average Common Shares Outstanding						
Basic	1,057	1,055	1,055	1,054	1,089	1,089
Assuming Full Dilution	1,061	1,058	1,058	1,063	1,111	1,111
<b>PER COMMON SHARE DATA</b>						
Net Income per Common Share:						
Basic						
Continuing	\$ .82	.67	.86	.78	1.14	1.14
Discontinued	\$ --	--	--	(.41)	.01	--
	-----	-----	-----	-----	-----	-----
	.82	.67	.86	.37	1.15	1.14
Assuming Full Dilution						
Continuing	\$ .82	.67	.86	.77	1.13	1.13
Discontinued	\$ --	--	--	(.40)	.01	--
	-----	-----	-----	-----	-----	-----
	.82	.67	.86	.37	1.14	1.14
Dividends Declared per Common Share:						

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Gillette	\$ .33	.33	.65	.65	.59	
Duracell	\$ --	--	--	--	--	
Stock Price, end of period	\$ 29.60	29.80	33.40	36.13	41.19	47
BALANCE SHEET DATA						
Net Property, Plant and Equipment(e)	\$ 3,495	3,537	3,548	3,550	3,467	3,
Total Assets(e)	\$10,018	9,649	9,946	10,213	10,612	10,
Long-Term Debt	\$ 1,852	1,669	1,654	1,650	2,931	2,
Stockholders' Equity	\$ 2,544	2,253	2,137	1,924	3,060	4,
OTHER INFORMATION						
Net Interest Expense	\$ 46	116	141	218	129	
Depreciation and Amortization(e)	\$ 371	359	509	535	464	
Capital Expenditures(e)	\$ 278	449	624	793	889	
Employees (e)	31,012	32,000	31,500	35,200	37,600	39,
Ratio of Earnings to Fixed Charges(f)	13.9x	8.0x	8.2x	5.7x	12.3x	1

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- (a) In 2001, charges for restructuring and asset impairment expenses reduced profit from operations and income before income taxes by \$172 million, net income by \$135 million and net income per common share, both basic and assuming full dilution, by \$.13.
- (b) In 2000, charges for restructuring and asset impairment expenses reduced profit from operations and income before income taxes by \$572 million, net income by \$430 million and net income per common share, both basic and assuming full dilution, by \$.41.
- (c) In 1998, a charge for reorganization and realignment expenses reduced profit from operations and income before income taxes by \$440 million, net income by \$285 million, net income per common share, basic, by \$.26, and net income per common share, assuming full dilution, by \$.25.
- (d) In 1996, charges for merger-related costs reduced profit from operations and income before income taxes by \$413 million, net income by \$283 million, net income per common share, basic, by \$.26 and net income per common share, assuming full dilution, by \$.25.
- (e) Represents continuing operations.
- (f) For purposes of calculating the ratio of earnings to fixed charges, earnings consist of income from continuing operations before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.
- (g) We adopted EITF Issue No. 00-25, "Vendor Income Statement Characterization of Consideration to a Purchaser of the Vendor's Products or Services," on January 1, 2002. This standard addresses the income statement classification of slotting fees, cooperative advertising arrangements and buydowns. Our financial data for the nine months ended September 30, 2002 and 2001 presented

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above reflect the adoption of EITF 00-25. Our financial data for each of the years ended December 31, 1996 through 2001 presented above have not been adjusted to reflect the adoption of EITF 00-25. If this standard had been adopted for each of these years, net sales would have been reduced by \$877 million in 2001, \$915 million in 2000, \$750 million in 1999, \$740 million in 1998, \$664 million in 1997 and \$619 million in 1996. Selling, general and administrative expenses would have been reduced by the same amounts in each year. The reclassifications would have no impact on profit from operations, net income or net income per common share.

As described in the "Accounting Pronouncements" section of the Notes to Consolidated Financial Statements of our Quarterly Report on Form 10-Q for the quarter ended September 30, 2002, incorporated by reference in this prospectus,

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we adopted SFAS 142, Goodwill and Other Intangible Assets, as of January 1, 2002. SFAS 142 requires that goodwill and other intangible assets with indefinite lives no longer be amortized, but instead be tested for impairment, at least annually, in accordance with the new impairment testing provisions of SFAS 142. SFAS 142 also requires that intangible assets with estimable useful lives be amortized over their respective useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." The net impact of our adoption of SFAS 142 is a reduction of annual amortization expense of \$34 million. No impairment losses were recognized due to the change in accounting principle.

The following summarizes the estimated impact on our reported net income and net income per common share for the years ended December 31, 2001, 2000 and 1999 and the nine months ended September 30, 2002 and 2001 had SFAS 142 been adopted for those earlier periods.

	NINE MONTHS ENDED		YEAR ENDED DECEMBER 31,		
	SEPTEMBER 30, 2002	SEPTEMBER 30, 2001	2001	2000	1999
<b>NET INCOME:</b>					
As reported.....	\$ 870	\$ 710	\$ 910	\$ 392	\$1,26
Add: Goodwill amortization, net of tax.....	--	\$ 17	\$ 23	\$ 22	\$ 2
Add: Trademark amortization, net of tax.....	--	\$ 6	\$ 8	\$ 8	\$
Less: Amortization from change in useful lives, net of tax.....	--	\$ (6)	\$ (8)	\$ (8)	\$ (
Adjusted.....	\$ 870	\$ 727	\$ 933	\$ 414	\$1,28
<b>NET INCOME PER COMMON SHARE:</b>					
Basic -					
As reported.....	\$0.82	\$0.67	\$ 0.86	\$ 0.37	\$ 1.1
Add: Goodwill amortization, net of tax.....	--	\$0.02	\$ 0.02	\$ 0.02	\$ 0.0
Add: Trademark amortization, net of tax.....	--	--	\$ --	\$ --	\$ --
Less: Amortization from change in useful lives, net of tax.....	--	--	\$ --	\$ --	\$ --
Adjusted.....	\$0.82	\$0.69	\$ 0.88	\$ 0.39	\$ 1.1
Assuming full dilution -					
As reported.....	\$0.82	\$0.67	\$ 0.86	\$ 0.37	\$ 1.1
Add: Goodwill amortization, net of tax.....	--	\$ .02	\$ 0.02	\$ 0.02	\$ 0.0
Add: Trademark amortization, net of tax.....	--	--	\$ --	\$ --	\$ --
Less: Amortization from change in useful lives, net of tax.....	--	--	\$ --	\$ --	\$ --
Adjusted.....	\$0.82	\$0.69	\$ 0.88	\$ 0.39	\$ 1.1

RATIO OF EARNINGS TO FIXED CHARGES

The table below sets forth the ratio of earnings to fixed charges of The

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Gillette Company and our consolidated subsidiaries for each of the periods indicated.

NINE MONTHS ENDED SEPTEMBER 30,		FISCAL YEAR ENDED DECEMBER 31,				
2002	2001	2001	2000	1999	1998	1997
13.9x	8.0x	8.2x	5.7x	12.3x	13.7x	20.8x

For purposes of calculating these ratios, earnings consist of income from continuing operations before income taxes and fixed charges. Fixed charges consist of interest on indebtedness, amortization of debt premium, the interest component of rentals and preferred stock dividend requirements.

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### USE OF PROCEEDS

Unless the prospectus supplement indicates otherwise, we anticipate that the net proceeds to be received from the sale of the debt securities will be used to repay indebtedness and for other general corporate purposes, which may include repurchases of our shares of common stock, working capital, capital expenditures, acquisitions and other business opportunities.

### DESCRIPTION OF DEBT SECURITIES

The Gillette Company will issue the debt securities under an indenture dated as of April 11, 2002, between The Gillette Company and Bank One, N.A., as trustee, as amended by a fourth supplemental indenture dated as of November 8, 2002. The indenture may be further amended or supplemented from time to time. Unless otherwise indicated, when we use the term "indenture" in this prospectus, we mean the indenture, as amended by the fourth supplemental indenture. A copy of the indenture is referenced as an exhibit to the registration statement that we filed with the SEC and which contains this prospectus.

The following summary describes the material terms of the indenture. The summary is subject to, and is qualified in its entirety by reference to, all of the provisions of the indenture. The following summary also describes the general terms of the debt securities. The prospectus supplement will include the particular terms of the debt securities being offered which differ from or add to these general terms.

The debt securities will be unsecured and will rank equally with all of our other unsecured and unsubordinated indebtedness.

In this section, the words "we," "us," "our" or "the Company" do not include any current or future subsidiary of The Gillette Company.

### GENERAL

We previously have issued debt securities under the indenture dated as of April 11, 2002 and may issue debt securities from time to time in the future in one or more series under the indenture. The indenture does not limit the aggregate principal amount of debt securities that we may issue under it. Neither the indenture nor the debt securities will limit or otherwise restrict the amount of other indebtedness, including secured indebtedness, which we may

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incur or other securities which we may issue.

The applicable prospectus supplement will include the particular terms of the series of debt securities being offered, including:

- the title and series designation of the debt securities;
- the aggregate principal amount or initial public offering price of the debt securities of that series and the limit, if any, on the aggregate principal amount or initial public offering price of the debt securities of that series that may be issued;
- the rate or rates (or method for establishing the rate or rates) at which the debt securities will bear any interest;
- the date from which any interest will accrue;
- the dates on which any interest will be paid and the record dates for determining the registered holders entitled to receive any payments of interest on those interest payment dates;
- the date or dates on which principal is payable;
- whether the debt securities will be issued in global form;
- any obligation that we may have to redeem or purchase the debt securities, whether pursuant to a sinking fund or other similar provision, or at the option of the holder;
- any provisions for redemption of the debt securities at our option, and the redemption price or prices;
- the denominations in which the debt securities will be issuable if other than \$1,000 and integral multiples of \$1,000;

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- whether the debt securities are denominated or payable in United States dollars or a foreign currency or units of two or more foreign currencies;
- the place or places where payments on the debt securities will be made;
- if other than the full principal amount, the portion of the principal amount of the debt securities payable upon acceleration of the maturity of the debt securities;
- any index or formula used to determine the amount of payment of principal of, or premium, if any, or interest on the debt securities;
- the person to whom any interest on the debt securities of the series will be payable if other than the registered holder;
- if the principal amount payable at maturity of the debt securities is not determinable as of any one or more dates prior to maturity, the amount of the debt securities that will be deemed to be the principal amount of the debt securities on or prior to the maturity date or the manner by which such amount deemed to be principal will be determined;
- any addition to or change in the defaults or events of default that apply to debt securities of the series and any change in the right of the trustee or the required percentage of holders of those debt securities to



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declare the principal thereof due and payable;

- any addition to or change in the covenants that apply to debt securities of the series; and
- any other terms of the debt securities.

If the debt securities are redeemable, we may elect to redeem them at our option only upon written notice mailed between 30 and 60 days prior to the redemption date.

We may issue debt securities as "original issue discount securities," which bear either no interest or interest at a rate which at the time of issuance is below market rates. Such securities will be sold at a substantial discount below their principal amount. In the event that the maturity of an original issue discount security is accelerated, the amount payable to the holder upon acceleration will be determined in accordance with the terms of that security and the indenture, but will be an amount less than the amount payable at the stated maturity of the principal of the security. The prospectus supplement will describe special federal income tax and other considerations relating to original issue discount securities.

In the event any sinking fund is established for the retirement of debt securities of any series, we may satisfy all or any part of the sinking fund payments required to be made by us with debt securities of the same series to the extent provided for by the terms of such debt securities.

Unless otherwise indicated in the prospectus supplement, the covenants contained in the indenture and in any supplemental indenture will not limit our ability to affect a recapitalization, restructuring or other highly leveraged transaction or other similar transaction, any of which transactions could result in a sudden decline in our credit worthiness.

### REGISTRATION AND TRANSFER

Unless otherwise indicated in the prospectus supplement, we will issue each series of debt securities in registered form only, without coupons, and in denominations of \$1,000 and integral multiples of \$1,000. Holders may present debt securities in registered form for registration of transfer or exchange for other debt securities of the same series at the principal corporate trust office of the trustee located in the City of New York, New York or such other location as may be indicated in the prospectus supplement.

If the debt securities of any series are redeemable and we plan to redeem less than all of the debt securities of that particular series, we will not be required to:

- issue, register the transfer of, or exchange any debt security of that series during the period beginning 15 days before the day we mail the notice of redemption and ending on the day we mail the notice; or

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- register the transfer of or exchange any debt security of that series selected for redemption, except that we will be required to register the transfer of or exchange the unredeemed portion of any debt security being partially redeemed if the holder so requests.

No service charge will be made for any registration of transfer or exchange of the debt securities except to cover any tax or other governmental charge payable in connection with the registration of transfer or exchange.

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### PAYMENT AND PLACE OF PAYMENT

Unless otherwise indicated in the prospectus supplement, we will pay principal of, and premium, if any, and interest on, the debt securities at the principal corporate trust office of the trustee located in the City of New York, New York. However, at our option, we may pay any interest by check mailed to the holders of registered debt securities at their registered addresses or by wire transfer or other method acceptable to such holders.

### EVENTS OF DEFAULT

The following are "events of default" under the indenture with respect to any series of debt securities:

- default in the payment of principal or premium, if any, when due;
- default in the payment of any interest when due, which default continues for 30 days;
- default in the deposit of any sinking fund payment when due, which default continues for 30 days;
- default in the performance of, or breach of, any other obligation or warranty contained in the indenture for the benefit of debt securities of that series, which default continues for 90 days after written notice by the trustee or by the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series;
- specified events of bankruptcy, insolvency or reorganization; and
- any other event of default provided with respect to debt securities of that series.

If an event of default under the indenture occurs and continues with respect to any series of debt securities, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding securities of that series may declare the principal amount of that series, or any lesser amount provided for in the debt securities of that series, to be due and payable immediately. After the trustee or the holders have declared the acceleration of a series of debt securities, but before the trustee has obtained a judgment or decree for payment of money due, the holders of at least a majority in aggregate principal amount of outstanding debt securities of that series may, under specified circumstances, rescind and annul the declaration of acceleration.

The holders of at least a majority in aggregate principal amount of the outstanding debt securities of any series may waive an event of default with respect to that series, except a default:

- in the payment of the principal of, or premium, if any, or interest on, any debt securities of that series; or
- in respect of an obligation contained in, or a provision of, the indenture which cannot be modified under the terms of the indenture without the consent of each holder of the outstanding debt securities of the affected series.

The holders of at least a majority in aggregate principal amount of the outstanding debt securities of a series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to debt securities of that series, provided that this direction is not in conflict with any rule of

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law or the indenture and the trustee may take any other action deemed proper by it which is not inconsistent with such direction. Before proceeding to exercise any right or power under the indenture at the direction of the holders, the trustee is entitled to receive from

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those holders reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in complying with the direction.

A holder of a debt security of any series will have the right to institute a proceeding with respect to the indenture or for any remedy thereunder, if:

- that holder previously gave written notice to the trustee of a continuing event of default with respect to debt securities of that series;
- the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series also have made a written request to the trustee to institute the proceeding as trustee and offered the trustee indemnity satisfactory to the trustee;
- the trustee has failed to institute the proceeding within 60 days; and
- the trustee has not received from the holders of at least a majority in aggregate principal amount of the outstanding debt securities of that series a direction inconsistent with such request during that 60-day period.

However, any holder of a debt security has the absolute, unconditional right to institute suit for any such defaulted payment of principal of, or premium, if any, or interest on, any debt security after the due date for such payment under that debt security.

We are required to furnish annually to the trustee a statement as to the performance of our obligations under the indenture and as to any default in such performance.

### MODIFICATION AND WAIVER

The indenture may be modified and amended by us and the trustee through a supplemental indenture, with the consent of holders of at least a majority in aggregate principal amount of the outstanding debt securities of each series to be affected. However, without the consent of each holder of any debt security to be affected, we may not amend or modify the indenture to:

- change the stated maturity date of the principal of, or any installment of principal of or interest on, any debt security;
- reduce the principal amount of, or the rate of interest on, any debt security or any premium payable upon the redemption of any debt security;
- reduce the amount of principal of an original issue discount debt security or any other debt security payable upon acceleration of its maturity;
- change the place of payment or currency of payment of principal of, or premium, if any, or interest on, any debt security;
- impair the right to institute suit for the enforcement of any payment with respect to any debt security;

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- reduce the percentage in aggregate principal amount of the outstanding debt securities of any series, the consent of whose holders is required to modify or amend the indenture or to waive compliance with certain provisions of the indenture; or
- reduce the percentage in aggregate principal amount of the outstanding debt securities of any series, the consent of whose holders is required to waive any past default.

The indenture provides that, without the consent of any holders, we and the trustee may enter into one or more supplemental indentures for certain purposes, including:

- to add to our covenants for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred upon us in the indenture;
- to add any additional defaults or events of defaults for the benefit of the holders of all or any series of debt securities;
- to add to, change or eliminate any of the provisions of the indenture in respect of one or more series of debt securities, provided that any such addition, change or elimination (A) will not apply to, or modify the rights with respect to such provision of any holder of, any debt security of any series created prior to the supplemental indenture and entitled to the benefit of such provision or (B) will become effective only when there are no debt securities of any series outstanding; and
- to cure ambiguities, to correct or supplement any defective or inconsistent provision of the indenture, provided that such action will not adversely affect the interests of the holders of debt securities of any series.

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### CONSOLIDATION, MERGER AND SALE OF ASSETS

We may consolidate or merge with or into any other corporation or other organization, and we may convey, transfer or lease all or substantially all of our assets to any individual or organization, provided that:

- the successor or transferee, if other than us, is a corporation or other organization organized and existing under the laws of the United States, any U.S. state or the District of Columbia;
- the successor or transferee expressly assumes our obligations under the indenture; and
- neither we nor any successor or transferee corporation or other organization is, immediately after any consolidation or merger, in default under the indenture.

### REGARDING THE TRUSTEE

Bank One, N.A. is the trustee under the indenture. We maintain banking relationships with the trustee and affiliates of the trustee in the ordinary course of business.

### DEFEASANCE

Unless otherwise provided in the prospectus supplement for such series of debt securities, we may cause ourself (subject to the terms of the indenture) to

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be discharged from any and all obligations with respect to any debt securities or series of debt securities (except for certain obligations with respect to the issuance of temporary securities and obligations to register the transfer or exchange of such debt securities, to replace such debt securities if stolen, lost or mutilated, to maintain paying agencies and to hold money for payment in trust) on or after the date the conditions set forth in the indenture are satisfied. Those conditions include the deposit with the trustee, in trust, of money and/or qualifying U.S. government obligations in an amount sufficient to pay the principal of, and premium, if any, and interest on, such debt securities and any other payments required to be made on the respective due dates of such payments or upon redemption, as the case may be, in accordance with the terms of the indenture and such debt securities.

Under current U.S. federal income tax law, the defeasance of the debt securities would be treated as a taxable exchange of the relevant debt securities in which holders of debt securities would recognize gain or loss. In addition, thereafter, the amount, timing and character of amounts that holders would be required to include in income might be different from that which would be includable in the absence of such defeasance. Prospective investors are urged to consult their own tax advisors as to the specific consequences of a defeasance, including the applicability and effect of tax laws other than the U.S. federal income tax law.

### GOVERNING LAW

The indenture and the debt securities will be governed by and construed in accordance with the laws of the State of New York.

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### GLOBAL SECURITIES

We may issue the debt securities in whole or in part in the form of one or more fully registered global securities, each a "global security," that will be deposited with, or on behalf of, a depository. Unless otherwise indicated in the prospectus supplement, the depository will be The Depository Trust Company, or "DTC," and the debt securities will be registered in the name of Cede & Co. or another nominee of DTC.

The specific terms of the depository arrangement with respect to any debt securities, if different from those terms set forth below, will be described in the prospectus supplement. We anticipate that the following provisions will apply to all depository arrangements.

So long as the depository or its nominee is the holder of a global security, the depository or the nominee will be considered the sole owner or holder of the debt securities represented by the global security for all purposes under the indenture. Except as set forth below, owners of beneficial interests in a global security representing debt securities:

- will not be entitled to have the debt securities registered in their names;
- will not receive or be entitled to receive physical delivery of the debt securities in certificated form; and
- will not be considered the owners or holders of the debt securities under the indenture.

Accordingly, each person owning a beneficial interest in a global security must rely on the procedures of the depository and, if that person is not a

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participant in the depositary, on the procedures of the participant through which that person owns his or her interest, to exercise any rights of a holder under the indenture. We understand that, under existing industry practices, if we request any action of holders or if an owner of a beneficial interest in a global security desires to give or take any action which a holder is entitled to give or take under the indenture, the depositary will authorize the participants holding the relevant beneficial interest to give or take that action, and the participants will authorize beneficial owners owning through them to give or take (or direct the participants to give or take) that action.

Payments of principal of, and premium, if any, and interest on, debt securities represented by a global security will be made to the depositary or its nominee as the registered holder of the global security representing the debt securities. Neither we, the trustee for the debt securities, any paying agent for the debt securities nor the securities registrar will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in a global security for the debt securities or for maintaining, supervising or reviewing any records relating to those beneficial ownership interests.

A global debt security may be exchanged for a certificated debt security only if:

- the depositary has notified us that it is unwilling or unable to continue as depositary for the global debt security or has ceased to be a clearing agency registered under the Securities Exchange Act of 1934 at a time when the depositary is requested to be so registered in order to act as depositary;
- there shall have occurred and be continuing an event of default with respect to the debt securities represented by the global debt security;
- we decide, in our sole discretion, that the global debt security will be exchangeable; or
- such other conditions, if any, specified in the prospectus supplement have been satisfied.

Unless and until it is exchanged in whole or in part for debt securities in certificated form for any of the reasons above, a global security may not be transferred except as a whole by the depositary to a nominee of the depositary, by a nominee of the depositary to the depositary or another nominee of the depositary, or by the depositary or any such nominee to a successor of the depositary or a nominee of such successor.

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### BOOK-ENTRY ISSUANCE

DTC has advised us that:

- DTC is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934.
- DTC holds securities that its participants deposit with DTC. DTC also facilitates the settlement among participants of securities transactions, such as transfers and pledges, in deposited securities through electronic

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computerized book-entry changes in participants' accounts. This eliminates the need for physical movement of securities certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and other organizations. DTC is owned by a number of its participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain custodial relationships with direct participants, either directly or indirectly ("indirect participants"). The rules applicable to DTC and its participants are on file with the SEC.

- Purchases of debt securities within the DTC system must be made by or through direct participants, which will receive a credit for the debt securities on DTC's records. The ownership interest of each actual purchaser of each debt security (a "beneficial owner") is in turn recorded on the direct and indirect participants' records. DTC will maintain accounts showing the debt security holdings of its participants, and these participants will, in turn, maintain accounts showing the debt security holdings of their customers. Some of these customers may themselves be securities intermediaries holding debt securities for their customers. Thus, each beneficial owner of a book-entry debt security will hold that debt security indirectly through a hierarchy of intermediaries, with DTC at the "top" and the beneficial owner's own securities intermediary at the "bottom."
- Beneficial owners will not receive written confirmation from DTC of their purchases. Instead, beneficial owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owners purchased the debt securities. Transfers of ownership interests in the debt securities are accomplished by entries made on the books of participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the debt securities, except in limited cases such as the discontinuance of the use of the book-entry system for the debt securities.
- DTC has no knowledge of the actual beneficial owners of the debt securities. DTC's records reflect only the identity of the direct participants to the accounts of which those debt securities are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.
- Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners, and the voting rights of direct participants, indirect participants and beneficial owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.
- Redemption notices will be sent to Cede & Co. (or other DTC nominee) as the registered holder of the debt securities. If less than all of the debt securities are being redeemed, DTC's current practice is to determine by lot the amount of the interest of each direct participant to be redeemed.
- Although voting with respect to the debt securities is limited to the holders of record of the debt securities, in those instances in which a

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vote is required, neither DTC nor Cede & Co. (or other DTC

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nominee) will itself consent or vote with respect to the debt securities. Under its usual procedures, DTC will mail an omnibus proxy to the trustee as soon as possible after the record date. An omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to the accounts of which the debt securities are credited on the record date, which are identified in a listing attached to the omnibus proxy.

- Redemption proceeds and distribution payments on the debt securities will be made by us or the trustee to Cede & Co. (or other DTC nominee) as registered holder of the debt securities. DTC's practice is to credit direct participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payments on that payment date. Payments by participants to beneficial owners will be governed by standing instructions and customary practices and will be the responsibility of participants and not of DTC, the trustee or us, subject to any applicable statutory or regulatory requirements. Payment of redemption proceeds and distributions to DTC is the responsibility of us or the trustee, and disbursements of those payments to the beneficial owners is the responsibility of direct and indirect participants.
- DTC may discontinue providing its services as securities depository with respect to any of the debt securities at any time by giving reasonable notice to the trustee and us. Under these circumstances, in the event that a successor securities depository is not obtained, definitive certificates representing such debt securities are required to be printed and delivered. Additionally, we, at our option, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, definitive certificates for such debt securities will be printed and delivered.

Neither we nor the trustee has any responsibility for the performance by DTC or its participants of their respective obligations as described above or under the rules and procedures governing their respective operations.

### PLAN OF DISTRIBUTION

We may sell the debt securities:

- to the public through one or more underwriters or dealers;
- through one or more agents; or
- directly to purchasers.

The distribution of the debt securities may be effected from time to time in one or more transactions:

- at a fixed price or prices, which may be changed from time to time;
- at market prices prevailing at the time of sale;
- at prices related to those prevailing market prices; or
- at negotiated prices.

Each prospectus supplement will describe the method of distribution of the



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particular series of debt securities being offered and any applicable restrictions.

The prospectus supplement with respect to the debt securities of a particular series will describe the terms of the offering of the debt securities, including the following:

- the name or names of any underwriters, dealers or agents;
- the public offering or purchase price;
- any discounts and commissions to be allowed or paid to the underwriters or agents;
- all other items constituting underwriting compensation;
- any discounts and commissions to be allowed or paid to dealers; and
- any exchanges on which the debt securities will be listed.

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We may agree to enter into an agreement to indemnify the agents, dealers and underwriters against specified civil liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the agents, dealers or underwriters may be required to make.

Underwriters and their associates and affiliates may be customers of, have borrowing relationships with, engage in other transactions with, and/or perform services, including investment banking services, for us in the ordinary course of business.

No series of debt securities will have an established trading market. Unless otherwise indicated in the prospectus supplement relating to the series of debt securities being offered, the debt securities will not be listed on a national securities exchange or the Nasdaq National Market. We can give no assurance as to the liquidity of or the existence of trading markets for the debt securities.

### VALIDITY OF SECURITIES

The validity of the debt securities will be passed upon for us by Ropes & Gray, Boston, Massachusetts.

### EXPERTS

The consolidated financial statements of The Gillette Company as of December 31, 2001 and 2000, and for each of the years in the three-year period ended December 31, 2001, have been incorporated by reference in this prospectus in reliance upon the report of KPMG LLP, independent accountants, incorporated by reference herein, and upon the authority of said firm as experts in accounting and auditing.

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[GILLETTE LOGO]

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\$300,000,000

THE GILLETTE COMPANY

3.80% SENIOR NOTES DUE 2009

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PROSPECTUS SUPPLEMENT

AUGUST 23, 2004  
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Joint Book-Running Managers

BANC OF AMERICA SECURITIES LLC

MORGAN STANLEY  
  
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Title to book-entry interests in the Notes will pass by book-entry registration of the transfer within the records of Clearstream, Luxembourg, the Euroclear operator or the depository, as the case may be, in accordance with their respective procedures. Book-entry interests in the Notes may be transferred within Clearstream, Luxembourg and within the Euroclear System and between Clearstream, Luxembourg and the Euroclear System in accordance with procedures established for these purposes by Clearstream, Luxembourg and the Euroclear operator. Book-entry interests in the Notes may be transferred within the depository in accordance with procedures established for this purpose by the depository. Transfers of book-entry interests in the Notes among Clearstream, Luxembourg and the Euroclear operator and the depository may be effected in accordance with procedures established for this purpose by Clearstream, Luxembourg, the Euroclear operator and the depository.

A further description of the depository's procedures with respect to the global notes is set forth in the prospectus under "Forms of Securities - Global Securities." The depository has confirmed to us, the underwriters and the trustee that it intends to follow such procedures.

### **Global Clearance and Settlement Procedures**

Initial settlement for the registered global notes will be made in immediately available funds. Secondary market trading between the depository's participants will occur in the ordinary way in accordance with the depository's rules and will be settled in immediately available funds using the depository's Same-Day Funds Settlement System. Secondary market trading between Clearstream, Luxembourg customers and/or Euroclear participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream, Luxembourg and the Euroclear System and will be settled using the procedures applicable to conventional Eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the depository on the one hand, and directly or indirectly through Clearstream, Luxembourg customers or Euroclear participants, on the other, will be effected through the depository in accordance with the depository's rules on behalf of the relevant European international clearing system by its U.S. depository; however, these cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in the clearing system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. depository to take action to effect final settlement on its behalf by delivering interests in the Notes to or receiving interests in the Notes from the depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the depository. Clearstream, Luxembourg customers and Euroclear participants may not deliver instructions directly to their respective U.S. depositories.

Because of time-zone differences, credits of interests in the Notes received in Clearstream, Luxembourg or the Euroclear system as a result of a transaction with a depository participant will be made during subsequent securities settlement processing and dated the business day following the depository settlement date. Credits of interests or any transactions involving interests in the Notes received in Clearstream, Luxembourg or the Euroclear System as a result of a transaction with a depository participant and settled during subsequent securities settlement processing will be reported to the relevant Clearstream, Luxembourg customers or Euroclear participants on the business day following the depository settlement date. Cash received in Clearstream, Luxembourg or the Euroclear System as a result of sales of interests in the Notes by or through a Clearstream, Luxembourg customer or a Euroclear participant to a depository participant will be received with value on the depository settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in the depository.

Although the depository, Clearstream, Luxembourg and the Euroclear operator have agreed to the foregoing procedures in order to facilitate transfers of interests in the Notes among participants of the depository, Clearstream, Luxembourg and Euroclear, they are under no obligation to perform or continue to perform the foregoing procedures and these procedures may be changed or discontinued at any time.

### **Notices**

Notices to holders of the Notes will be given by mailing such notices to each holder by first class mail, postage prepaid, at the respective address of each holder as that address appears upon our books. Notices given to the

depository, as holder of the global notes, will be passed on to the beneficial owners of the Notes in accordance with the standard rules and procedures of the depository and its direct and indirect participants, including Clearstream, Luxembourg and the Euroclear operator.

#### **CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS**

The following is a summary of certain United States federal income tax considerations for non-U.S. Holders (as defined below) material to the purchase, ownership and disposition of the Notes. This summary does not describe all of the tax consequences that may be relevant to you in light of your particular circumstances. For example, it does not address considerations that may be relevant to you if you are an investor that is subject to special tax rules such as banks, thrifts, real estate investment trusts, regulated investment companies, insurance companies, dealers in securities or currencies, tax-exempt investors, holders that have a functional currency other than the U.S. dollar, or certain U.S. expatriates. It also does not discuss notes held as part of a hedge, straddle, conversion, synthetic security or other integrated transaction. This summary addresses only holders that purchase the Notes in connection with their original issue from the initial purchaser at the issue price and that hold the Notes as capital assets. It does not include any description of any alternative minimum tax consequences, federal estate tax consequences or the tax laws of any state or local government or of any foreign government that may be applicable to the Notes.

This summary is based upon the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations, Internal Revenue Service (IRS) rulings and pronouncements and administrative and judicial decisions currently in effect, all of which are subject to change (possibly with retroactive effect) or possible differing interpretations.

#### **YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISOR TO DETERMINE THE ANTICIPATED TAX CONSEQUENCES TO YOU OF HOLDING THE NOTES, INCLUDING THE TAX CONSEQUENCES UNDER UNITED STATES FEDERAL, STATE, LOCAL, AND NON-U.S. TAX LAWS AND POSSIBLE CHANGES IN TAX LAWS.**

For the purposes of this summary, you are a U.S. Holder if you own the Notes and:

You are a citizen or resident of the United States;

You are a corporation (or other entity taxable as a corporation under U.S. income tax laws) created or organized in or under the laws of the United States or of any political subdivision of the United States;

You are an estate the income of which is includable in gross income for United States federal income tax purposes regardless of its source; or

You are a trust subject to the primary supervision of a United States court and the control of one or more United States persons, or a trust (other than a wholly owned grantor trust) that has made a valid election to be treated as a domestic trust despite not meeting the requirements described above.

You are a Non-U.S. Holder if you own the Notes but are not a U.S. Holder.

If a partnership, including any entity treated as a partnership for U.S. federal income tax purposes, is a holder, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. A holder that is a partnership, and partners in such a partnership, should consult their own tax advisors regarding the tax consequences of the purchase, ownership and disposition of the Notes.

#### **Payments of Interest**

If you are a Non-U.S. Holder, payments of interest or premium (if any) on the Notes made to you will be exempt from United States income and withholding taxes, unless:

You hold the Notes as part of a United States trade or business, in which case such income from the Notes will be subject to United States federal income tax as if you were a U.S. Holder, and such income may also be subject to the branch profits tax if you are a corporation;

You own, actually or constructively, 10% or more of the total combined voting power of all classes of our stock entitled to vote, or you are a controlled foreign corporation related, directly or indirectly, to us through stock ownership; or

You fail to provide to us the required certification that you are not a United States person or to provide your name and address or otherwise satisfy applicable documentation requirements.

#### **Sale, Redemption or Other Disposition**

If you are a Non-U.S. Holder, you will not be subject to United States federal income tax on gain realized on the sale, exchange, redemption or other disposition of the Notes unless:

Such gain is effectively connected with your conduct of a trade or business in the United States, in which case such gain will be subject to United States federal income tax as if you were a U.S. Holder, and such gain may also be subject to the branch profits tax if you are a corporation; or

You are an individual holder present in the United States for 183 days or more in the taxable year of the disposition and certain other conditions are met.

#### **Backup Withholding Tax and Information Reporting**

Certain backup withholding and information reporting requirements may apply to payments of principal, premium (if any) and interest on the Notes and to certain payments of proceeds of the sale or other disposition of the Notes made to non-corporate investors in the Notes. Backup withholding and information reporting generally will not apply to payments made to a Non-U.S. Holder if you have provided the required certification under penalties of perjury that you are not a U.S. Holder or have otherwise established an exemption. Any amounts withheld under the backup withholding rules from a payment to you may be claimed as a credit against your U.S. federal income tax liability provided you furnish the required information to the IRS.

#### **CERTAIN ERISA CONSIDERATIONS**

The following is a summary of certain considerations associated with the purchase of the Notes by employee benefit plans to which Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended, which we refer to as ERISA, applies; plans, individual retirement accounts and other arrangements to which Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws or regulations that are similar to such provisions of ERISA or the Code, which we collectively refer to as Similar Laws, apply; and entities whose underlying assets are considered to include "plan assets" of such plans, accounts and arrangements (each of which we call a Plan).

Each fiduciary of a Plan should consider the fiduciary standards of ERISA or any applicable Similar Laws in the context of the Plan's particular circumstances before authorizing an investment in the Notes. Accordingly, among other factors, the fiduciary should consider whether the investment would satisfy the prudence and diversification requirements of ERISA or any applicable Similar Laws and would be consistent with the documents and instruments governing the Plan.

Section 406 of ERISA and Section 4975 of the Code prohibit Plans subject to such provisions, which we call ERISA Plans, from engaging in certain transactions involving "plan assets" with persons that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the ERISA Plans. A violation of these "prohibited transaction" rules may result in an excise tax or other liabilities under ERISA and/or Section 4975 of the Code for those persons, unless exemptive relief is available under an applicable statutory or administrative exemption. Employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and foreign plans (as described in Section 4(b)(4) of ERISA) are not subject to the requirements of ERISA or Section 4975 of the Code, but may be subject to Similar Laws.



Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code could arise if the Notes were acquired by an ERISA Plan with respect to which we or any of our affiliates are a party in interest or a disqualified person. For example, if we are a party in interest or disqualified person with respect to an investing ERISA Plan (either directly or by reason of our ownership of our subsidiaries), an extension of credit prohibited by Section 406(a)(1)(B) of ERISA and Section 4975(c)(1)(B) of the Code between the investing ERISA Plan and us may be deemed to occur, unless exemptive relief were available under an applicable exemption (see below).

The United States Department of Labor has issued prohibited transaction class exemptions, or PTCEs, that may provide exemptive relief for direct or indirect prohibited transactions resulting from the purchase, holding or disposition of the Notes. Those class exemptions include:

- PTCE 96-23 for certain transactions determined by in-house asset managers;
- PTCE 95-60 for certain transactions involving insurance company general accounts;
- PTCE 91-38 for certain transactions involving bank collective investment funds;
- PTCE 90-1 for certain transactions involving insurance company separate accounts; and
- PTCE 84-14 for certain transactions determined by independent qualified professional asset managers.

Because of the possibility that direct or indirect prohibited transactions or violations of Similar Laws could occur as a result of the purchase, holding or disposition of the Notes by a Plan, the Notes may not be purchased by any Plan, or any person investing the assets of any Plan, unless its purchase, holding and disposition of the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation of any Similar Laws. Any purchaser or holder of the Notes or any interest in the Notes will be deemed to have represented by its purchase and holding of the Notes that either:

- it is not a Plan and is not purchasing the Notes or interest in the Notes on behalf of or with the assets of any Plan; or
- its purchase, holding and disposition of the Notes or interest in the Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or a violation of any Similar Laws.

Due to the complexity of these rules and the penalties imposed upon persons involved in non-exempt prohibited transactions, it is important that any person considering the purchase of Notes on behalf of or with the assets of any Plan consult with its counsel regarding the consequences under ERISA, the Code and any applicable Similar Laws of the acquisition, ownership and disposition of Notes, whether any exemption would be applicable, and whether all conditions of such exemption have been satisfied such that the acquisition and holding of the Notes by the Plan are entitled to full exemptive relief thereunder.

Nothing herein shall be construed as, and the sale of Notes to a Plan is in no respect, a representation by us or the underwriters that any investment in the Notes would meet any or all of the relevant legal requirements with respect to investment by, or is appropriate for, Plans generally or any particular Plan.

**UNDERWRITING**

Under the terms and subject to the conditions contained in an underwriting agreement dated August , 2006, we have agreed to sell to the underwriters named below, for whom Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated are acting as representatives, the following respective principal amounts of Notes:

<b>Underwriter</b>	<b>Principal Amount of % Notes</b>	<b>Principal Amount of Floating Rate Notes</b>
Goldman, Sachs & Co..		\$
Morgan Stanley & Co. Incorporated		
Credit Suisse Securities (USA) LLC		
Deutsche Bank Securities Inc.		
Lehman Brothers Inc.		
Total	\$	\$

The underwriters propose to offer the Notes initially at the respective public offering prices on the cover page of this prospectus supplement and to selling group members at that price less a concession of % of the principal amount per Note. The underwriters and selling group members may reallocate a discount of % of the principal amount per Note on sales to other broker/dealers. After the initial offering the underwriters may change the respective public offering prices and concession.

Each series of Notes is a new issue of securities with no established trading market. One or more of the underwriters for a series of Notes has advised us that it intends to make a market in the Notes of that series but is not obligated to do so and may discontinue market making at any time without notice. No assurance can be given as to the liquidity of the trading market for any series of Notes.

In connection with the offering, the underwriters may purchase and sell the Notes in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of Notes than it is required to purchase in the offering. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Notes while the offering is in progress.

These activities by the underwriters may stabilize, maintain or otherwise affect the market price of the Notes. As a result, the price of the Notes may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the underwriters at any time. These transactions may be effected in the over-the-counter market or otherwise.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or





(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Notes to the public in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
2. it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The securities have not been and will not be registered under the Securities and Exchange Law of Japan (the Securities and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

This prospectus supplement has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Notes under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or



any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ .

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended.

Certain of the underwriters will make the Notes available for distribution on the Internet through a proprietary Web site and/or a third-party system operated by Market Axess Corporation, an Internet based communications technology provider. Market Axess Corporation is providing the system as a conduit for communications between such underwriters and their customers and is not a party to any transactions. Market Axess Corporation, a registered broker-dealer, will receive compensation from any underwriter based on transactions such underwriter conducts through the system. Certain of the underwriters will make the Notes available to their customers through the Internet distributions, whether made through a proprietary or third-party system, on the same terms as distributions made through other channels.

In the ordinary course of business, certain of the underwriters and their affiliates have provided and may in the future continue to provide investment banking, commercial banking and/or other financial services to us and our subsidiaries for which they have received, and may in the future receive, compensation.

#### **LEGAL MATTERS**

Heller Ehrman LLP, Seattle, Washington, will pass upon the validity of the Notes for us. Cleary Gottlieb Steen & Hamilton LLP, New York, New York, will pass upon the validity of the Notes for the underwriters. As of August 1, 2006, Heller Ehrman LLP and individual attorneys at the firm who participated in this transaction owned an aggregate of 12,992 shares of our common stock.

#### **EXPERTS**

The financial statements and management's report on the effectiveness of internal control over financial reporting incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K/A for the year ended December 31, 2005 have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, and have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

PROSPECTUS

**Debt Securities**

**Preferred Stock**

**Depositary Shares**

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This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission using a "shelf" registration process. This means:

we may sell any of the following securities from time to time:

debt securities

preferred stock

depositary shares

we will provide a prospectus supplement each time we issue the securities; and

the prospectus supplement will provide specific information about the terms of that issuance and also may add, update or change information contained in this prospectus.

We may also issue common stock upon conversion or exchange of any of the securities listed above. We will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the applicable prospectus supplement carefully before you invest.

The securities may be sold directly to investors, through agents designated from time to time or to or through underwriters or dealers. See "Plan of Distribution." If any underwriters are involved in the sale of any securities in respect of which this prospectus is being delivered, the names of

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such underwriters and any applicable commissions or discounts will be set forth in the applicable prospectus supplement. The net proceeds we expect to receive from such sale also will be set forth in the applicable prospectus supplement.

This prospectus may not be used to offer or sell any securities unless accompanied by a prospectus supplement.

**NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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The date of this prospectus is January 9, 2006.

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## **ABOUT THIS PROSPECTUS**

This prospectus is part of a shelf registration statement that we have filed with the Securities Exchange Commission (the SEC). By using a shelf registration statement, we may sell, at any time and from time to time, in one or more offerings, any combination of the securities described in this prospectus. The exhibits to our registration statement contain the full text of certain contracts and other important documents we have summarized in this prospectus. Since these summaries may not contain all the information that you may find important in deciding whether to purchase the securities we offer, you should review the full text of these documents. The registration statement and the exhibits can be obtained from the SEC as indicated under the heading **Where You Can Find Additional Information**.

This prospectus only provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that contains specific information about the terms of those securities. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with the additional information described below under the heading **Where You Can Find Additional Information**.

**We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or a prospectus supplement is accurate as of any date other than the date on the front of the document.**

References in this prospectus to Washington Mutual, the Company, we, us and our are to Washington Mutual, Inc. (together with its subsidiaries) unless the context otherwise provides.

## **Where You Can Find Additional Information**

We file annual, quarterly and current reports and other information with the SEC. You may read and copy these reports and other information at the public reference room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may also obtain copies of these documents by mail from the SEC reference room at prescribed rates. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These reports and other information are also filed by us electronically with the SEC and are available at the SEC's website, [www.sec.gov](http://www.sec.gov).

The indentures pursuant to which the debt securities will be issued require us to file reports under the Securities Exchange Act of 1934, as amended (the Exchange Act). Quarterly and annual reports will be made available upon request of holders of the debt securities, which annual reports will contain financial information that has been examined and reported upon by, with an opinion expressed by, an independent public or certified public accountant.



### **Incorporation of Certain Documents by Reference**

The SEC allows us to incorporate by reference the information we file with it, which means that we can disclose important information to you by referring you to another document that we filed with the SEC. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act, until we sell all of the securities:

Our Annual Report to Shareholders on Form 10-K for the fiscal year ended December 31, 2004;

Our Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2005;

Current Reports on Form 8-K and 8-K/A dated January 6, January 14, January 20, January 24, February 18, February 22, March 2, March 22, March 23, April 19, June 7, June 9, June 24, July 6, July 20, July 25, September 8, September 23, September 26, October 4 and October 27, 2005 and Items 1.01 and 9.01 and Exhibit 10.1 from the Current Reports on Form 8-K dated November 2 and December 23, 2005;

The description of our capital stock contained in Item 5 of Current Report on Form 8-K dated November 29, 1994, and any amendment or report filed for the purpose of updating this description; and

Form 8-A/12B dated February 8, 2001, as amended.

You may obtain a copy of these filings at no cost, by writing or telephoning us at 1201 Third Avenue, Seattle, Washington 98101, telephone (206) 461-3187, attention Investor Relations Department WMT0735.

You should rely only on the information contained or incorporated by reference in this prospectus, any supplemental prospectus or any pricing supplement. We have not authorized anyone to provide you with any other information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus, any accompanying prospectus supplement or any document incorporated by reference is accurate as of any date other than the date on the front of the document.

### **Special Note Regarding Forward-Looking Statements**

This prospectus and the documents incorporated by reference contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to financial condition, results of operations, and other matters. Statements in this prospectus, including those incorporated by reference, that are not historical facts are forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the Securities Act). Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words, such as expects, anticipates, intends, plans, believes, seeks, estimates, or words of similar meaning, or future or conditional verbs, such as should, could, or may.

Forward-looking statements provide our expectations or predictions of future conditions, events or results. They are not guarantees of future performance. By their nature forward-looking statements are subject to risks and uncertainties. These statements speak only as of the date they are made. We do not undertake to update forward-looking statements to reflect the impact of circumstances or events that arise after the date the forward-looking statements were made. There are a number of factors, many of which are beyond our control, that could cause actual conditions, events or results to differ significantly from those described in the forward-looking statements. The factors are generally described in our most recent Form 10-K and Form 10-Q under the caption Risk Factors.

**THE COMPANY**

With a history dating back to 1889, Washington Mutual is a financial services company committed to serving consumers and small- to medium-sized businesses. Based on our consolidated total assets at September 30, 2005, we were the largest thrift holding company in the United States and 7<sup>th</sup> largest among all U.S.-based bank and thrift holding companies.

Washington Mutual operates principally in California, Washington, Oregon, Illinois, Florida, Texas and the greater New York/New Jersey metropolitan area, and has operations in 31 other states. We manage and report information concerning the Company's activities, operations, products and services around four segments: the Retail Banking and Financial Services Group, the Home Loans Group (previously called the Mortgage Banking Group), the Commercial Group and, as of the quarter beginning October 1, 2005, Washington Mutual Card Services.

**Use of Proceeds**

Unless otherwise specified in the applicable prospectus supplement, we will use the net proceeds from the sale of the securities for general corporate purposes. Examples of general corporate purposes include additions to working capital, repayment of existing debt, acquisitions, and office expansions.

**Ratio of Earnings to Fixed Charges**

The following table sets forth our ratio of earnings to fixed charges for each of the periods indicated.

<b>Year Ended December 31,</b>					<b>Nine Months</b>
<b><u>2000</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2003</u></b>	<b><u>2004</u></b>	<b>Ended</b>
					<b><u>September 30, 2005</u></b>
1.30	1.60	2.03	2.29	1.90	1.76

For purposes of this ratio, earnings consist of income before income taxes plus fixed charges. Fixed charges consist of interest expense on borrowings and deposits, and the estimated interest portion of rent expense.

## Description of Debt Securities

The following description of the debt securities sets forth the material terms and provisions of the debt securities to which any prospectus supplement may relate. The particular terms of the debt securities offered by any prospectus supplement (the Offered Debt Securities ) and the extent, if any, to which such general provisions may apply to the Offered Debt Securities, will be described in the prospectus supplement relating to such Offered Debt Securities. Accordingly, for a description of the terms of a particular issue of debt securities, reference must be made to both the prospectus supplement relating thereto and to the following description.

The debt securities will be our general obligations. In the event that any series of debt securities will be subordinated to other securities that we have outstanding or may incur, the terms of the subordination will be set forth in the prospectus supplement relating to the subordinated debt securities. Senior debt securities will be issued under the senior indenture dated as of August 10, 1999 between Washington Mutual, Inc. and The Bank of New York, as trustee, as supplemented by a first supplemental indenture dated as of August 1, 2002 and a second supplemental indenture dated as of November 20, 2002. References to the senior indenture in this prospectus will mean the senior indenture as supplemented. Subordinated debt securities will be issued under the subordinated indenture dated April 4, 2000 between us and The Bank of New York, as supplemented by the first supplemental indenture dated August 1, 2002, and a second supplemental indenture dated March 16, 2004. References to the subordinated indenture in this prospectus will mean the subordinated indenture as supplemented. Together the senior indenture and the subordinated indenture and the supplemental indentures thereto are called the indentures.

We have summarized selected provisions of the indentures below. The senior indenture and form of subordinated indenture have been filed as exhibits to the registration statement filed with the SEC and you should read the indentures for provisions that may be important to you. Accordingly, the following summary is qualified in its entirety by reference to the provisions of the indentures. Unless otherwise specified, capitalized terms used in this summary have the meanings specified in the indentures.

## General

The indentures do not limit the aggregate principal amount of debt securities which may be issued under the indentures and provide that debt securities may be issued from time to time in one or more series. The indentures do not limit the amount of other indebtedness or debt securities, other than certain secured indebtedness as described below, which may be issued by us or our subsidiaries.

Unless otherwise provided in a prospectus supplement, the debt securities will be our unsecured obligations. The senior debt securities will rank equally with all other unsecured and unsubordinated indebtedness of ours. The subordinated debt securities will be subordinated in right of payment to the prior payment in full of all Senior Indebtedness including our senior debt securities as described below under Subordination of Subordinated Debt Securities and in the applicable prospectus supplement.

The debt securities are our obligations exclusively. Because our operations are currently conducted substantially through our subsidiaries, our cash flow and the consequent ability to service our debt, including the debt securities, are dependent upon the earnings of our subsidiaries and the distribution of those earnings to us, or upon loans or other payments of funds to us by our subsidiaries. Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due with respect to the debt securities or to make funds available therefor, whether by dividends, loans or other payments. In addition, the payment to us of dividends and certain loans and advances by our subsidiaries may be subject to certain statutory or contractual restrictions. Payments are contingent upon the earnings of the subsidiaries, and are subject to various business considerations.

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The debt securities will be effectively subordinated to all liabilities, including deposits, of our subsidiaries. At September 30, 2005, our subsidiaries had \$190.41 billion of deposits and \$103.80 billion of debt outstanding. Any right we may have to receive assets of a subsidiary upon its liquidation or reorganization (and the consequent right of the holders of the debt securities to participate in those assets) will be effectively subordinated to the claims of that subsidiary's creditors, except to the extent that we are recognized as a creditor of a subsidiary, in which case our

claims would still be subordinate to any security interests in the assets of the subsidiary and any liabilities of the subsidiary senior to liabilities held by us.

The debt securities may be issued in fully registered form without coupons ( registered securities ) or in the form of one or more global securities (each a Global Security ). Registered securities that are book-entry securities will be issued as registered Global Securities. Unless otherwise provided in the prospectus supplement, the debt securities will be only registered securities. The debt securities will be issued, unless otherwise provided in the prospectus supplement, in denominations of \$1,000 or an integral multiple thereof for registered securities.

The prospectus supplement relating to the particular debt securities offered thereby will describe the following terms of the Offered Debt Securities:

- (1) the title of the Offered Debt Securities;
- (2) whether the Offered Debt Securities are senior debt securities or subordinated debt securities;
- (3) the percentage of principal amount at which the Offered Debt Securities will be issued;
- (4) any limit on the aggregate principal amount of the Offered Debt Securities;
- (5) the date or dates on which the Offered Debt Securities will mature and the amount or amounts of any installment of principal payable on such dates;
- (6) the rate or rates (which may be fixed or variable) per year at which the Offered Debt Securities will bear interest, if any, or the method of determining such rate or rates and the date or dates from which such interest, if any, will accrue;
- (7) the date or dates on which interest, if any, on the Offered Debt Securities will be payable and the regular record dates for such payment dates;
- (8) the terms of any sinking fund and the obligation, if any, of ours to redeem or purchase the Offered Debt Securities pursuant to any sinking fund or analogous provisions;
- (9) the portion of the principal amount of Offered Debt Securities that is payable upon declaration of acceleration of the maturity of the Offered Debt Securities;
- (10) whether the Offered Debt Securities will be issued in registered form without coupons, including temporary and definitive global form, and the circumstances, if any, upon which such Offered Debt Securities may be exchanged for Offered Debt Securities issued in a different form;

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- (11) whether the Offered Debt Securities are to be issued in whole or in part in the form of one or more Global Securities and, if so, the identity of the depositary for such Global Security or Securities;
- (12) whether and under what circumstances we will pay additional amounts to any holder of Offered Debt Securities who is not a United States person in respect of any tax, assessment or other governmental charge required to be withheld or deducted and, if so, whether we will have the option to redeem rather than pay any additional amounts;
- (13) the place or places, if any, in addition to or instead of the corporate trust office of the trustee, where the principal, premium and interest with respect to the Offered Debt Securities shall be payable;
- (14) the terms, if any, upon which the debt securities of the series may be convertible into or exchanged for our common stock, preferred stock, other debt securities or other securities of any kind and the terms and conditions upon which such conversion or exchange shall be effected, including the initial conversion or exchange price or rate, the conversion or exchange period and any other additional provisions;



- (15) if the amount of principal, premium or interest with respect to the debt securities of the series may be determined with reference to an index or pursuant to a formula, the manner in which such amounts will be determined;
- (16) any authenticating or paying agent, transfer agent or registrar;
- (17) the applicability of, and any addition to or change in, the covenants and definitions then set forth in the indenture or in the terms then set forth in the indenture relating to permitted consolidations, mergers, or sales of assets; and
- (18) certain other terms, including our ability to satisfy and discharge our obligations under an indenture with respect to the Offered Debt Securities.

No service charge will be made for any transfer or exchange of the debt securities except for any tax or other governmental charge.

Debt securities of a single series may be issued at various times with different maturity dates and different principal repayment provisions, may bear interest at different rates, may be issued at or above par or with an original issue discount, and may otherwise vary, all as provided in the indentures. The prospectus supplement for any debt securities issued above par or with an original issue discount will state any applicable material federal income tax consequences and other special considerations.

#### **Subordination of Subordinated Debt Securities**

Payment of the principal of (and premium, if any) and interest, if any, on the subordinated debt securities will be subordinate and junior in right of payment to the prior payment in full of all Senior Debt (as defined herein). At September 30, 2005, we had an aggregate par value of \$7.60 billion in Senior Debt and a par value of \$3.83 billion in debt securities subordinate to Senior Debt (exclusive of our subsidiaries). The subordinated indenture does not limit or restrict our ability to incur additional Senior Debt, but certain of our other debt instruments contain such limitations.

In the event of any sale pursuant to any judgment or decree in any proceeding by or on behalf of any holder, or of any distribution, division or application of all or any part of our assets to our creditors by reason of any liquidation, dissolution or winding up of us or any receivership, insolvency, bankruptcy or similar proceeding relative to us or our debts or properties, then the holders of Senior Debt shall be preferred in the payment of their claims over the holders of the subordinated debt securities, and such Senior Debt shall be satisfied in full before any payment or other distribution (other than securities which are subordinate and junior in right of payment to the payment of all Senior Debt then outstanding) shall be made upon the subordinated debt securities. In the event that any subordinated debt security is declared or becomes due and payable before its maturity because of an occurrence of an event of default (under circumstances not described in the preceding sentence), no amount shall be paid in respect of the subordinated debt securities in excess of current interest payments, except sinking fund payments or at maturity, unless all Senior Debt then outstanding shall have been paid in full or payments satisfactory to the holders thereof provided therefor. During the continuance of any default on Senior Debt, no payments of principal, sinking fund, interest or premium shall be made with respect to any Subordinated Debt Security if either (i) notice of default has been given to us, provided judicial proceedings are commenced in respect thereof within 120 days, or (ii) judicial proceedings shall be pending in respect of such default. In the event that any subordinated debt security is declared or becomes due and payable before maturity, each holder of Senior Debt shall be entitled to notice of same and shall be entitled to declare payable on demand any Senior Debt outstanding to such holder.

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Debt is defined in the indentures to include all indebtedness of ours or any Consolidated Subsidiary representing money borrowed, except indebtedness owed to us by any Consolidated Subsidiary or owed to any Consolidated Subsidiary by us or any other Consolidated Subsidiary, and includes indebtedness of any other person for money borrowed when such indebtedness is guaranteed by us or any Consolidated Subsidiary. The term Debt shall be deemed to include the liability of ours or any Consolidated Subsidiary in respect of any investment or similar certificate, except to the extent such certificates are pledged by purchasers as collateral for, and are offset by, receivables. Senior Debt is defined to mean all Debt of the Company except Subordinated Debt. Subordinated

Debt is defined to mean Debt of ours which is subordinate and junior in right of payment to any Senior Debt of ours by the terms of the instrument creating or evidencing such Subordinate Debt and senior to the Junior Subordinated Notes. Junior Subordinated Notes is defined to mean our 8.36% Subordinated Notes due 2026, 8.375% Junior Subordinated Debentures due 2027, 9.33% Junior Subordinated Deferrable Interest Debentures due 2027, and 5.375% Subordinated Defeasible Interest Debentures due 2041.

Subordinated debt securities will rank on a parity with all other Subordinated Debt other than the Junior Subordinated Notes. Subordinated debt securities are senior to the Junior Subordinated Note and to our common stock and preferred stock, and will be senior to any other class of capital stock which may be authorized.

### **Exchange, Registration and Transfer**

Registered securities (other than book-entry securities) of any series of Offered Debt Securities will be exchangeable for other registered securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations.

Debt securities may be presented for exchange as provided above, and registered securities (other than book-entry securities) may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed), at the office of the Security Registrar or at the office of any transfer agent designated by us for such purpose with respect to any series of debt securities and referred to in the prospectus supplement. No service charge will be charged for the transfer, but any tax or other governmental charge must be paid. Such transfer or exchange will be effected upon the Security Registrar or such transfer agent, as the case may be, being satisfied with the documents of title and identity of the person making the request. If a prospectus supplement refers to any transfer agents (in addition to the Security Registrar) initially designated by us with respect to any series of debt securities, we may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that, if debt securities of a series are issuable solely as registered securities, we will be required to maintain a transfer agent in each Place of Payment for such series. We may at any time designate additional transfer agents with respect to any series of debt securities.

In the event of any redemption in part, we will not be required to:

issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before any selection of debt securities of that series to be redeemed and ending at the close of business on if debt securities of the series are issuable only as registered securities, the day of mailing of the relevant notice of redemption; or

register the transfer of or exchange any registered security, or portion thereof, called for redemption, except the unredeemed portion of any registered security being redeemed in part.

For a discussion of restrictions on the exchange, registration and transfer of Global Securities, see Global Securities .

### **Payment and Paying Agents**

Unless otherwise provided in the prospectus supplement, payment of principal of (and premium, if any) and interest, if any, on registered securities will be made in U.S. dollars at the office of such Paying Agent or Paying Agents as we may designate from time to time, except that at

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our option payment of any interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register. Unless otherwise provided in a prospectus supplement, payment of any installment of interest on registered securities will be made to the Person in whose name such registered security is registered at the close of business on the Regular Record Date for such interest.

Unless otherwise provided in a prospectus supplement, the Corporate Trust Office of the trustee will be designated as our sole Paying Agent for payments with respect to Offered Debt Securities that are issuable solely as registered securities. Any Paying Agents outside the United States and any other Paying Agents in the United States initially designated by us for the Offered Debt Securities will be named in a prospectus supplement. We may at any

time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts, except that, if debt securities of a series are issuable solely as registered securities, we will be required to maintain a Paying Agent in each Place of Payment for such series.

All moneys paid by us to a Paying Agent for the payment of principal of (and premium, if any) or interest, if any, on any debt security or coupon that remain unclaimed at the end of two years after such principal, premium or interest shall have become due and payable will be repaid to us and the holder of such debt security or coupon will thereafter look only to us for payment thereof.

### **Global Securities**

The debt securities of a series may be issued in whole or in part as one or more Global Securities that will be deposited with, or on behalf of, a depositary located in the United States (a U.S. Depositary ) or a common depositary located outside the United States (a Common Depositary ) identified in the prospectus supplement relating to such series. Global Securities will be issued in registered form, in either temporary or definitive form.

The specific terms of the depositary arrangement with respect to any debt securities of a series will be described in the Prospectus Supplement relating to such series. We anticipate that the following provisions will apply to all depositary arrangements with a U.S. Depositary or Common Depositary.

### **Book-Entry Securities**

Unless otherwise specified in a prospectus supplement, debt securities which are to be represented by a Global Security to be deposited with or on behalf of a U.S. Depositary will be represented by a Global Security registered in the name of such depositary or its nominee. Upon the issuance of a Global Security in registered form, the U.S. Depositary for such Global Security will credit, on its book-entry registration and transfer system, the respective principal amounts of the debt securities represented by such Global Security to the accounts of institutions that have accounts with such depositary or its nominee ( participants ). The accounts to be credited shall be designated by the underwriters or agents of such debt securities or by us, if such debt securities are offered and sold directly by us. Ownership of beneficial interests in such Global Securities will be limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in such Global Securities will be shown on, and the transfer of that ownership will be effected only through, records maintained by the U.S. Depositary or its nominee for such Global Security or by participants or persons that hold through participants. The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may impair the ability to transfer beneficial interests in a Global Security.

So long as the U.S. Depositary for a Global Security in registered form, or its nominee, is the registered owner of such Global Security, such depositary or such nominee, as the case may be, will be considered the sole owner or holder of the debt securities represented by such Global Security for all purposes under the indenture governing such debt securities. Except as set forth below, owners of beneficial interests in such Global Securities will not be entitled to have debt securities of the series represented by such Global Security registered in their names, will not receive or be entitled to receive physical delivery of debt securities of such series in definitive form and will not be considered the owners or holders thereof under the indenture.

Payment of principal of (and premium, if any) and interest, if any, on debt securities registered in the name of or held by a U.S. Depositary or its nominee will be made to the U.S. Depositary or its nominee, as the case may be, as the registered owner or the holder of the Global Security representing such debt securities. We nor any trustee or Paying Agent, or the Security Registrar for such debt securities will have any

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responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Security for such debt securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that the U.S. Depositary for debt securities of a series, upon receipt of any payment of principal of (and premium, if any) or interest on permanent Global Securities, will credit participants' accounts on the date such payment is payable in accordance with their respective beneficial interests in the principal amount of such Global Securities as shown on the records of such Depositary. We also expect that payments by participants to owners of

beneficial interests in such Global Security held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in street name, and will be the responsibility of such participants.

Unless and until it is exchanged in whole for debt securities in definitive form, a Global Security may not be transferred except as a whole by the U.S. Depositary for such Global Security to a nominee of such Depositary or by a nominee of such Depositary to such Depositary or another nominee of such Depositary or by such Depositary or any such nominee to a successor of such Depositary or a nominee of such successor. If a U.S. Depositary for debt securities in registered form is at any time unwilling or unable to continue as depositary and a successor depositary is not appointed by us within ninety days, we will issue debt securities in definitive registered form in exchange for the Global Security or Securities representing such debt securities. In addition, we may at any time and in our sole discretion determine not to have any debt securities in registered form represented by one or more Global Securities and, in such event, will issue debt securities in definitive registered form in exchange for the Global Security or Securities representing such debt securities. In any such instance, an owner of a beneficial interest in a Global Security will be entitled to physical delivery in definitive form of debt securities of the series represented by such Global Security equal in principal amount to such beneficial interest and to have such debt securities registered in the name of the owner of such beneficial interest.

#### **Absence of Restrictive Covenants**

We are not restricted by either of the indentures from paying dividends or from incurring, assuming or becoming liable for any type of debt or other obligations or from creating liens on our property for any purpose. The indentures do not require the maintenance of any financial ratios or specified levels of net worth or liquidity. The indentures do not contain provisions which afford holders of the debt securities protection in the event of a highly leveraged transaction involving us.

#### **Merger and Consolidation**

Each indenture provides that we, without the consent of the holders of any of the outstanding debt securities, may consolidate with or merge into any other corporation or transfer or lease our properties and assets substantially as an entirety to any Person or may permit any corporation to merge into us, provided that:

the successor is a corporation organized under the laws of any domestic jurisdiction;

the successor, if other than us, assumes our obligations under such indenture and the debt securities issued thereunder;

immediately after giving effect to such transaction, no Event of Default and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and

certain other conditions are met.

Each indenture provides that, upon any consolidation or merger or transfer or lease of our properties and assets of substantially as an entirety in accordance with the preceding paragraph, the successor corporation formed by such consolidation or into which we are merged or to which such transfer or lease is made shall be substituted for us with the same effect as if such successor corporation had been named as us. Thereafter, we shall be relieved of the performance and observance of all obligations and covenants of such indenture and the senior debt securities or subordinated debt securities, as the case may be, including but not limited to the obligation to make payment of the principal of (and premium, if

any) and interest, if any, on all the debt securities then outstanding, and we may thereupon or any time thereafter be liquidated and dissolved.

**Satisfaction and Discharge**

Unless a prospectus supplement provides otherwise, we will be discharged from our obligations under the outstanding debt securities of a series upon satisfaction of the following conditions:



we have irrevocably deposited with the trustee either money, or U.S. Government Obligations together with the predetermined and certain income to accrue thereon without consideration of any reinvestment thereof, or a combination of which (in the written opinion of independent public accountants delivered to the trustee), will be sufficient to pay and discharge the entire principal of (and premium, if any), and interest, if any, to Stated Maturity or any redemption date on, the outstanding debt securities of such series;

we have paid or caused to be paid all other sums payable with respect to the outstanding debt securities of such series;

the trustee has received an Officers Certificate and an Opinion of Counsel each stating that all conditions precedent have been complied with; or

the trustee has received (a) a ruling directed to us and the trustee from the United States Internal Revenue Service to the effect that the holders of the debt securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of our exercise of our option to discharge our obligations under the indenture with respect to such series and will be subject to federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit and discharge had not occurred or (b) an opinion of tax counsel to the same effect as the ruling described in clause (a) above and based upon a change in law.

Upon such discharge, we will be deemed to have satisfied all the obligations under the indenture, except for obligations with respect to registration of transfer and exchange of the debt securities of such series, and the rights of the holders to receive from deposited funds payment of the principal of (and premium, if any) and interest, if any, on the debt securities of such series.

#### **Modification of the Indenture**

Each indenture provides that we and the trustee thereunder may, without the consent of any holders of debt securities, enter into supplemental indentures for the purposes, among other things, of adding to our covenants, adding any additional Events of Default, establishing the form or terms of debt securities or curing ambiguities or inconsistencies in such indenture or making other provisions; provided such action shall not adversely affect the interests of the holders of any series of debt securities in any material respect.

Each indenture contains provisions permitting us, with the consent of the holders of not less than a majority in principal amount of the outstanding debt securities of all affected series (acting as one class), to execute supplemental indentures adding any provisions to or changing or eliminating any of the provisions of such indenture or modifying the rights of the holders of the debt securities of such series, except that no such supplemental indenture may, without the consent of the holders of all the outstanding debt securities affected thereby, among other things:

- (1) change the maturity of the principal of, or any installment of principal of or interest on, any of the debt securities;
- (2) reduce the principal amount thereof (or any premium thereon) or the rate of interest, if any, thereon;
- (3) reduce the amount of the principal of Original Issue Discount Securities payable on any acceleration of maturity;

- (4) change our obligation to maintain an office or agency in the places and for the purposes required by such indenture;
- (5) impair the right to institute suit for the enforcement of any such payment on or after the applicable maturity date;

- (6) reduce the percentage in principal amount of the outstanding debt securities of any series, the consent of the holders of which is required for any such supplemental indenture or for any waiver of compliance with certain provisions of, or of certain defaults under, such indenture; or
- (7) with certain exceptions, to modify the provisions for the waiver of certain defaults and any of the foregoing provisions.

#### **Events of Default**

An Event of Default in respect of any series of debt securities (unless it is either inapplicable to a particular series or has been modified or deleted with respect to any particular series) is defined in each indenture to be:

failure to pay interest on such series of debt securities for 30 days after payment is due;

failure to pay the principal of (or premium, if any) on such series of debt securities when due;

failure to perform any other covenant in the indenture that applies to such series of debt securities for 90 days after we have received written notice of the failure to perform in the manner specified in the indenture;

an event of default under any mortgage, indenture (including the indenture) or other instrument under which any debt of Washington Mutual, Inc. or any Principal Subsidiary Bank (defined below) shall be outstanding which default shall have resulted in the acceleration of such debt in excess of \$75,000,000 in aggregate principal amount and such acceleration shall not have been rescinded or such debt discharged within a period of 30 days after notice;

certain events of bankruptcy, insolvency or reorganization; and

any other event of default provided for in such series of debt securities.

Principal Subsidiary Bank is defined in the indenture as each of Washington Mutual Bank (formerly known as Washington Mutual Bank, FA) and any other subsidiary bank the consolidated assets of which constitute 20% or more of the consolidated assets of Washington Mutual, Inc. and its subsidiaries. As of the date hereof, Washington Mutual Bank is our only Principal Subsidiary Bank.

If an Event of Default shall have happened and be continuing, either the trustee thereunder or the holders of not less than 25% in principal amount of the outstanding debt securities of such series may declare the principal of all of the outstanding notes to be immediately due and payable.

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Each indenture provides that the holders of not less than a majority in principal amount of the outstanding debt securities of any series may direct the time, method and place of conducting any proceeding for any remedy available to the trustee thereunder, or exercising any trust or power conferred on such trustee, with respect to the debt securities of such series; provided that:

such direction shall not be in conflict with any rule of law or with the indenture,

the trustee may take any other action deemed proper that is not inconsistent with such direction and

the trustee shall not determine that the action so directed would be unjustly prejudicial to the holders of debt securities of such series not taking part in such direction.

Each indenture provides that the holders of not less than a majority in principal amount of the outstanding debt securities of any series may on behalf of the holders of all of the outstanding debt securities of such series waive any past default under such indenture with respect to such series and its consequences, except a default (1) in the payment of the principal of (or premium, if any) or interest, if any, on any of the debt securities of such series or (2)

in respect of a covenant or provision of such indenture which, under the terms of such indenture, cannot be modified or amended without the consent of the holders of all of the outstanding debt securities of such series affected thereby.

Each indenture contains provisions entitling the trustee thereunder, subject to the duty of the trustee during an Event of Default in respect of any series of debt securities to act with the required standard of care, to be indemnified by the holders of the debt securities of such series before proceeding to exercise any right or power under such indenture at the request of the holders of the debt securities of such series.

Each indenture provides that the trustee will, within 90 days after the occurrence of a default in respect of any series of debt securities, give to the holders of the debt securities of such series notice of all uncured and unwaived defaults known to it; provided, however, that, except in the case of a default in the payment of the principal of (or premium, if any) or any interest on, or any sinking fund installment with respect to, any of the debt securities of such series, the trustee will be protected in withholding such notice if it in good faith determines that the withholding of such notice is in the interests of the holders of the debt securities of such series; and provided, further, that such notice shall not be given until at least 30 days after the occurrence of an Event of Default regarding the performance of any covenant of ours under such indenture other than for the payment of the principal of (or premium, if any) or any interest on, or any sinking fund installment with respect to, any of the debt securities of such series. The term default for the purpose of this provision only means any event that is, or after notice or lapse of time, or both, would become, an Event of Default with respect to the debt securities of such series.

We will be required to furnish annually to the trustee a certificate as to compliance with all conditions and covenants under the indenture.

#### **Notices**

Notices to holders of registered securities will be given by mail to the addresses of such holders as they appear in the Security Register.

#### **Title**

We, the appropriate Trustee and any agent of ours or such Trustee may treat the registered owner of any registered security (including registered securities in global registered form) as the absolute owner thereof (whether or not such Debt Security or coupon shall be overdue and notwithstanding any notice to the contrary) for the purpose of making payment and for all other purposes.

#### **Governing Law**

New York law will govern the indentures and the debt securities.

### **Description of Capital Stock**

The following descriptions are summaries of the material terms of our Amended and Restated Articles of Incorporation ( articles of incorporation ), our bylaws and applicable provisions of law. Reference is made to the more detailed provisions of, and such descriptions are qualified in their entirety by reference to, our articles of incorporation and bylaws, which are incorporated by reference in the registration statement that we filed with the SEC. You should read our articles of incorporation and bylaws for the provisions that are important to you.

Our articles of incorporation currently authorize 1,600,000,000 shares of common stock, no par value, and 10,000,000 shares of preferred stock, no par value. On November 30, 2005, we had 992,057,807 shares of common stock outstanding. There were no shares of preferred stock outstanding.

### **Common Stock**

We do not intend to offer shares of our common stock pursuant to this prospectus except upon the conversion or exchange of debt securities or preferred stock that we offer under this prospectus.

Each share of common stock is entitled to one vote on all matters properly presented at a meeting of shareholders. Shareholders are not entitled to cumulative voting in the election of directors.

The number of our directors is determined by our bylaws. The bylaws currently set the number of directors at up to sixteen. Our board of directors is divided into three classes of as equal a number of directors as possible. The term of office of each class is three years, with each term expiring in a different year.

*Interested Stockholders.* Our articles of incorporation prohibit, except under certain circumstances, us (or any of our subsidiaries) from engaging in certain significant business transactions with a major stockholder. A major stockholder is a person who, without the prior approval of our board of directors, acquires beneficial ownership of five percent or more of our outstanding voting stock. Prohibited transactions include, among others:

- any merger with, disposition of assets to, acquisition by us of the assets of, issuance of securities of ours to, or acquisition by us of securities of, a major stockholder;
- any reclassification of our voting stock or of any subsidiary beneficially owned by a major stockholder; or
- any partial or complete liquidation, spin off, split off or split up of us or any subsidiary.

The above prohibitions do not apply, in general, if the specific transaction is approved by:

- our board of directors prior to the major stockholder involved having become a major stockholder;

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a vote of at least 80% of the continuing directors (defined as those members of our board prior to the involvement of the major stockholder);

a majority of the continuing directors if the major stockholder obtained unanimous board approval to become a major stockholder;

a vote of 95% of the outstanding shares of our voting stock other than shares held by the major stockholder; or

a majority vote of the shares of voting stock and the shares of voting stock owned by stockholders other than any major stockholder if certain other conditions are met.

Our articles of incorporation also provide that during the time a major stockholder exists, we may voluntarily dissolve only upon the unanimous consent of our stockholders or an affirmative vote of at least two-thirds of our board of directors and the holders of at least two-thirds of the shares entitled to vote on such a dissolution and of each class of shares entitled to vote on such a dissolution as a class, if any.

*Shareholder Rights Plan.* We have adopted a shareholder rights plan (the Rights Plan ) which provides that one right to purchase 1/1,000th of a share of our Series RP preferred stock (the Rights ) is attached to each outstanding share of our common stock. The Rights have certain anti-takeover effects and are intended to discourage coercive or unfair takeover tactics and to encourage any potential acquiror to negotiate a price fair to all shareholders. The Rights may cause substantial dilution to an acquiring party that attempts to acquire us on terms not approved by our board, but they will not interfere with any merger or other business combination that is approved by our board.

The Rights are attached to the shares of our common stock. The Rights are not presently exercisable. At the time a party acquires beneficial ownership of 15% or more of the outstanding shares of our common stock or commences or publicly announces for the first time a tender offer to do so, the Rights will separate from the common stock and will become exercisable. Each Right entitles the holder to purchase 1/1,000th share of Series RP preferred stock, for an exercise price that is currently \$200 per share. Once the Rights become exercisable, any Rights held by the acquiring party will be void and, for the next 60 days, all other holders of Rights will receive upon exercise of the Right that number of shares of our common stock having a market value of two times the exercise price of the Right. The Rights, which expire on January 4, 2011, may be redeemed by us for \$0.001 per right prior to becoming exercisable. Until a Right is exercised, the holder of that Right will have no rights as a shareholder, including, without limitation, the right to vote or receive dividends.

## **Preferred Stock**

In this section we describe the general terms that will apply to preferred stock that we may offer by this prospectus in the future. When we issue a particular series, we will describe the specific terms of the series of preferred stock in a prospectus supplement. The description of provisions of our preferred stock included in any prospectus supplement may not be complete and is qualified in its entirety by reference to the description in our articles of incorporation and our certificate of designation, which will describe the terms of the offered preferred stock and be filed with the SEC at the time of sale of that preferred stock. At that time, you should read our articles of incorporation and any certificate of designation relating to each particular series of preferred stock for provisions that may be important to you.

Our board of directors is authorized to provide for the issuance from time to time of preferred stock in series and, as to each series, to fix the designation, the dividend rate, whether dividends are cumulative, the preferences which dividends will have with respect to any other class or series of capital stock, the voting rights, the voluntary and involuntary liquidation prices, the conversion or exchange privileges, the redemption prices and the other terms of redemption, and the terms of any purchase or sinking funds applicable to the series. The terms of any series of preferred stock will be described in a prospectus supplement. Cumulative dividends, dividend preferences and conversion, exchange and redemption provisions, to the extent that some or all of these features may be present when shares of our preferred stock are issued, could have an adverse effect on the availability of earnings for distribution to the holders of common stock or for other corporate purposes.

## **Description of Depositary Shares**

We describe in this section the general terms of the depositary shares. We will describe the specific terms of the depositary shares in a prospectus supplement. The following description of the deposit agreement, the depositary shares and the depositary receipts is only a summary and you should refer to the forms of the deposit agreement and depositary share certificate that will be filed with the SEC in connection with any particular offering of depositary shares.





## **General**

We may offer fractional interests in preferred stock, rather than full shares of preferred stock. In that case, we will provide for the issuance by a depositary to investors of receipts for depositary shares, each representing a fractional interest in a share of a particular series of preferred stock.

The shares of any series of preferred stock underlying the depositary shares will be deposited under a separate deposit agreement between us and the depositary, which must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50 million. The applicable prospectus supplement will set forth the name and address of the depositary. Subject to the terms of the deposit agreement, each owner of a depositary share will have a fractional interest in all the rights and preferences of the preferred stock underlying such depositary share. Those rights include any dividend, voting, redemption, conversion and liquidation rights.

The depositary shares will be evidenced by depositary receipts issued under the deposit agreement. If you purchase fractional interests in shares of the related series of preferred stock, you will receive depositary receipts as described in the applicable prospectus supplement. While the final depositary receipts are being prepared, we may order the depositary to issue temporary depositary receipts substantially identical to the final depositary receipts although not in final form. The holders of the temporary depositary receipts will be entitled to the same rights as if they held the depositary receipts in final form. Holders of the temporary depositary receipts can exchange them for the final depositary receipts at our expense.

## **Withdrawal**

Unless otherwise indicated in the applicable prospectus supplement and unless the related depositary shares have been called for redemption, if you surrender depositary receipts at the principal office of the depositary, then you are entitled to receive at that office the number of shares of preferred stock and any money or other property represented by the depositary shares. We will not issue partial shares of preferred stock. If you deliver depositary receipts evidencing a number of depositary shares that represent more than a whole number of shares of preferred stock, the depositary will issue to you a new depositary receipt evidencing the excess number of depositary shares at the same time that the preferred stock is withdrawn. Holders of shares of preferred stock received in exchange for depositary shares will no longer be entitled to deposit those shares under the deposit agreement or to receive depositary shares in exchange for those shares of preferred stock.

## **Dividends and Other Distributions**

The depositary will distribute all cash dividends or other cash distributions received with respect to the preferred stock to the record holders of depositary shares representing the preferred stock in proportion to the numbers of depositary shares owned by the holders on the relevant record date. The depositary will distribute only the amount that can be distributed without attributing to any holder of depositary shares a fraction of one cent. The balance not distributed will be added to and treated as part of the next sum received by the depositary for distribution to record holders of depositary shares.

If there is a distribution other than in cash, the depositary will distribute property to the holders of depositary shares, unless the depositary determines that it is not feasible to make such distribution. If this occurs, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the holders of depositary shares.

## **Conversion, Exchange and Redemption**

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Unless otherwise specified in the applicable prospectus supplement, neither the depositary shares nor the series of preferred stock underlying the depositary shares will be convertible or exchangeable into any other class or series of our capital stock.

If the series of the preferred stock underlying the depositary shares is subject to redemption, the depositary shares will be redeemed from the redemption proceeds, in whole or in part, of the series of the preferred stock held

by the depositary. The redemption price per depositary share will bear the same relationship to the redemption price per share of preferred stock that the depositary share bears to the underlying preferred stock. Whenever we redeem preferred stock held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the preferred stock redeemed. If less than all the depositary shares are to be redeemed, the depositary shares to be redeemed will be selected by lot or pro rata as determined by the depositary.

### **Voting**

Upon receipt of notice of any meeting at which the holders of the preferred stock are entitled to vote, the depositary will mail Information about the meeting contained in the notice to the record holders of the depositary shares relating to the preferred stock. Each record holder of the depositary shares on the record date (which will be the same date as the record date for the preferred stock) will be entitled to instruct the depositary as to how the preferred stock underlying the holder's depositary shares should be voted.

The depositary will try, if practical, to vote the preferred stock underlying the depositary shares according to the instructions received. We will agree to take all action requested by and deemed necessary by the depositary in order to enable the depositary to vote the preferred stock in that manner. The depositary will not vote any preferred stock for which it does not receive specific instructions from the holders of the depositary shares relating to the preferred stock.

### **Amendment and Termination of the Deposit Agreement**

We may amend the form of depositary receipt evidencing the depositary shares and any provision of the deposit agreement by agreement with the depositary at any time. Any amendment that materially and adversely alters the rights of the existing holders of depositary shares will not be effective, however, unless approved by the record holders of at least a majority of the depositary shares then outstanding. A deposit agreement may be terminated by us or the depositary only if:

- all outstanding depositary shares relating to the deposit agreement have been redeemed or converted into or exchanged for other securities; or
- there has been a final distribution on the underlying preferred stock in connection with our liquidation, dissolution or winding up and the distribution has been made to the holders of the related depositary shares

### **Charges of Depositary**

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depositary arrangements. We will pay charges of the depositary in connection with its duties under the deposit agreement. Holders of depositary shares will pay transfer and other taxes and governmental charges and any other charges that are stated to be their responsibility in the deposit agreement.

### **Miscellaneous**

The depositary will forward to the holders of depositary shares all reports and communications that we must furnish to the holders of the preferred stock.

Neither we nor the depositary will be liable if either of us is prevented or delayed by law or any circumstance beyond our control in performing our respective obligations under the deposit agreement. Our obligations and the depositary's obligations under the deposit agreement will be limited to performance in good faith of duties set forth in the deposit agreement. Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding connected with any depositary shares or preferred stock unless satisfactory indemnity is furnished. We and the

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depository may rely upon written advice of counsel or accountants, or information provided by persons presenting preferred stock for deposit, holders of depository shares or other persons believed to be competent and on documents believed to be genuine.

### **Resignation and Removal of Depositary**

The depositary may resign at any time by delivering notice to us. We may also remove the depositary at any time. Resignations or removals will take effect upon the appointment of a successor depositary and its acceptance of the appointment. The successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal.

### **Plan of Distribution**

We may sell the securities being offered hereby: (i) directly to purchasers, (ii) through agents, (iii) through dealers, (iv) through underwriters, or (v) through a combination of any such methods of sale.

The distribution of the securities may be effected from time to time in one or more transactions either (i) at a fixed price or prices, which may be changed, (ii) at market prices prevailing at the time of sale, (iii) at prices related to such prevailing market prices, or (iv) at negotiated prices.

Offers to purchase the securities may be solicited directly by us or by agents designated by us from time to time. Any such agent, which may be deemed to be an underwriter as that term is defined in the Securities Act, involved in the offer or sale of the debt securities in respect of which this prospectus is delivered will be named, and any commissions payable by us to such agent will be set forth in the prospectus supplement relating to the offering of the securities. Unless otherwise indicated in the applicable prospectus supplement, any such agent will be acting on a best efforts basis for the period of its appointment.

If a dealer is utilized in the sale of the securities in respect of which this prospectus is delivered, we will sell the securities to the dealer, as principal. The dealer, which may be deemed to be an underwriter as that term is defined in the Securities Act, may then resell the securities to the public at varying prices to be determined by such dealer at the time of resale. Dealer trading may take place in certain of the securities, including securities not listed on any securities exchange.

If an underwriter or underwriters are utilized in the sale, we will execute an underwriting agreement with such underwriters at the time of sale to them and the names of the underwriters will be set forth in the applicable prospectus supplement, which will be used by the underwriters to make resales of the securities in respect of which this prospectus is delivered to the public. The obligations of underwriters to purchase securities will be subject to certain conditions precedent and the underwriters will be obligated to purchase all of the securities of a series if any are purchased.

Underwriters, dealers, agents and other persons may be entitled, under agreements that may be entered into with us, to indemnification against certain civil liabilities, including liabilities under the Securities Act, or to contribution with respect to payments that they may be required to make in respect thereof. Underwriters, dealers and agents may engage in transactions with, or perform services for, us in the ordinary course of business.

Except as indicated in the applicable prospectus supplement, the securities are not expected to be listed on a securities exchange, except for our common stock, which is listed on The New York Stock Exchange, and any underwriters or dealers will not be obligated to make a market in

securities. We cannot predict the activity or liquidity of any trading in the securities.

**Legal Matters**

The legality of the securities offered by this prospectus will be passed upon by Heller Ehrman LLP, Seattle, Washington. As of November 30, 2005, Heller Ehrman LLP and individual attorneys at the firm who participated in this transaction owned an aggregate of 12,992 shares of our common stock.

**Experts**

The auditors of the Issuer are Deloitte & Touche LLP ( Deloitte ), an independent registered public accounting firm, who have audited the Issuer's consolidated financial statements, without qualification, in accordance with generally accepted auditing standards in the United States of America for each of the financial periods ended December 31, 2004, 2003 and 2002, respectively, and who have audited management's report on the effectiveness of internal control over financial reporting for the year ended December 31, 2004. Deloitte's report on the Issuer's consolidated financial statements for the year ended December 31, 2003 includes an explanatory paragraph referring to the Issuer's adoption of Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets, on January 1, 2002 and an explanatory paragraph referring to the Issuer's 2002 restatement of Note 2 to the consolidated financial statements. Deloitte's report on the Issuer's consolidated financial statements for the year ended December 31, 2002 includes an explanatory paragraph referring to the Issuer's adoption of a) SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities, as amended, on January 1, 2001, b) SFAS No. 142, Goodwill and Other Intangible Assets, on January 1, 2002, and c) SFAS No. 147, Acquisitions of Certain Financial Institutions, on October 1, 2002.





*Joint Book-Running Managers*

**Goldman, Sachs & Co.**  
Credit Suisse

**Deutsche Bank**

**Morgan Stanley**  
Lehman Brothers