



Investor Fact Sheet

Our Vision

The Gillette Company's Vision is to build Total Brand Value by continuously innovating to deliver consumer and customer value faster, better and more completely than our competition.

We Will Achieve Our Vision by Focusing on 4 Strategies

1. Drive growth in core and related core categories.
2. Accelerate growth in key emerging geographies.
3. Expand into selective new adjacencies.
4. Create and sustain a Functionally Excellent organization.

Each Business Unit has a Governing Statement that Defines its Objective

Blades & Razors

Gillette will drive Blade and Razor market growth and grow our share of the category's economic profit pool.

Duracell

Duracell will continue to build core business profit margin to a category-leading level and maintain market share and seize expansion opportunities into growing and profitable Portable Power segments and adjacencies.

Oral Care

Oral Care will grow our share of the overall profit pool and enter selected high growth Oral Care adjacencies.

Braun

Braun will focus on the dry shaving market and ensure that each product line returns greater than its cost of capital.

Personal Care

Personal Care will achieve modest share growth in core businesses and enter selective adjacencies to accelerate growth, while increasing profit margin.



Company History

The Early Days

- 1895** King C. Gillette invents first safety razor.
- 1901** American Safety Razor Company founded on September 28th.
- 1902** Name changed to Gillette Safety Razor Company.
- 1903** Production begins and by year end, Gillette sells 51 razors and 168 blades.
- 1904** Safety razor patent granted; sales rise to 90,884 razors and 123,648 blades.
- 1917** Company reorganized as a Delaware corporation.
- 1952** The Company's name is changed to The Gillette Company.

Other Significant Events in Recent Corporate History

- 1986** In November, Revlon Group, Inc., launches an unsuccessful, \$4 billion hostile takeover attempt of Gillette.
- 1987** On an unsolicited basis, Revlon Group, Inc., requests Board permission to make a cash offer for all Gillette shares. The Board refuses.
- 1988** RB Associates and its principal owner, Coniston Partners, unsuccessfully solicit proxies for the election of four nominees to the Board of Directors at the Annual Meeting, with a goal of finding a buyer for the Company.
- 1989** The Company sells \$600 million of convertible preferred stock to Berkshire Hathaway Inc. Warren Buffett, Chairman of the Board of Berkshire Hathaway Inc., is elected to the Gillette Board of Directors.
- 1991** Gillette's stock ticker symbol on the NYSE is changed from "GS" to "G".
- 2000** Michael C. Hawley, Chairman and Chief Executive Officer, relinquishes his responsibilities and retires from the Company. In October, Gillette President Edward F. DeGraan becomes acting Chief Executive Officer.
- 2001** In January, The Gillette Company Board of Directors elected James M. Kilts, Chairman of the Board and Chief Executive Officer.
- 2005** The Procter & Gamble Company announced that it has signed a deal to acquire 100% of The Gillette Company.

Important Brand Milestones

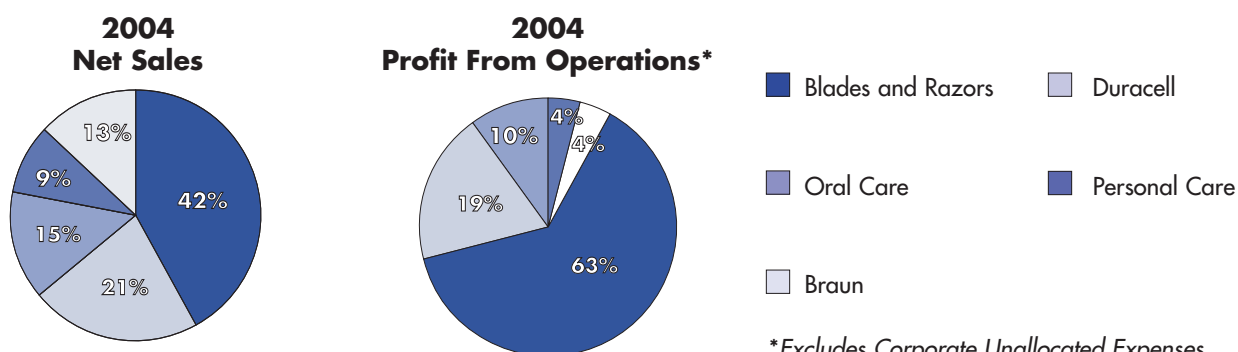
- 1932** Gillette introduces the Blue Blade, the Company's first new product since King C. Gillette's Safety Razor.
- 1936** Gillette Brushless shaving cream is introduced.
- 1953** Gillette Foamy aerosol shave cream is introduced.
- 1960** Right Guard aerosol deodorant is introduced.
- 1969** Soft & Dri, a non-sting antiperspirant for women, is introduced.
- 1971** The Trac II twin-blade shaving system is introduced.
- 1975** Gillette introduces Daisy, the first disposable shaver designed for women.
- 1976** Gillette introduces the Good News disposable twin-blade shaver for men.
- 1977** The Atra pivoting-head shaving system is introduced.
- 1979** Braun enters the oral care appliance business with launch of power toothbrushes and water jets.
- 1990** The Gillette Sensor shaving system is introduced, featuring spring-mounted blades.
- 1991** The Braun Oral-B plaque remover is launched, the first Braun Oral-B power toothbrush clinically proven to clean better than a manual toothbrush.
- 1992** The Sensor for Women shaving system is introduced, the first ever system for women.
- 1998** The Gillette MACH3 shaving system is introduced, featuring Gillette's first three-blade head.
- 2000** Braun Syncro, the world's first self-cleaning men's electric shaver, is introduced.
- 2001** Gillette for Women Venus system is launched, featuring triple blades and an oval-shaped, cushioned blade head.
- 2002** Mach3Turbo is introduced in North America.
- 2003** Sensor3 disposable is introduced.
- 2004** M3Power is launched in North America, Gillette's first powered wet shaving system.

Diversification

- 1948** Gillette acquires The Toni Company, establishing what is now the Personal Care business.
- 1967** Braun AG is acquired.
- 1984** Oral-B Laboratories, Inc. is acquired.
- 1996** Duracell is acquired.
- 2004** Rembrandt and Zooth are acquired.

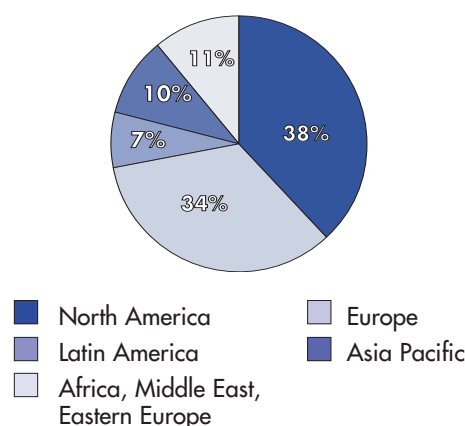


Scope of Business



- Global leader in 8 product categories
 - 82% of 2004 sales came from these global leadership categories
 - 40% of 2004 sales came from products introduced in the last five years
- Eleventh consecutive year that at least 40% of sales have come from new products
- Manufacturing operations at 31 facilities in 14 countries
- Products sold in over 200 countries and territories
- Approximately 28,700 employees, over 70% outside the United States

2004 Geographic Net Sales



Key Product Lines and Brands

	Product Lines	Key Brands, Sub-brands
Blades & Razors	Systems	Gillette , M3Power, Mach3, Venus, Sensor, Atra, Trac II, Vector, Slalom
	Disposables	Gillette , Sensor3, Agility, Prestobarba, Custom Plus, Good News, Daisy
Duracell	Alkaline Batteries	Duracell , CopperTop, Copper & Black, Ultra
Oral Care	Manual Toothbrushes	Oral-B , CrossAction, Advantage, Indicator, Stages
	Power Toothbrushes	Oral B , Professional Care, Sonic Complete
	Whitening	Oral-B/Rembrandt
Braun	Male Dry Shaving	Braun , Activator, Syncro, Flex, CruZer
	Female Hair Removal	Braun , SoftPerfection, Eversoft, Silk-Epil
	Household Appliances	Braun , Coffee Makers, Handheld Blenders, Irons
	Personal Diagnostic	Braun , Thermoscan
Personal Care	Shave Preparations	Gillette , Series, Satin Care, Foamy
	Antiperspirants/Deodorants	Gillette , Series, Right Guard, Soft & Dri, Dry Idea



Financial Highlights 2000–2004

	2000	2001	2002	2003	2004
Results from Continuing Operations					
Net Sales	8,310	8,084	8,453	9,252	10,477
Profit from Operations	2,084	1,670	1,809	2,003	2,465
EBITDA	2,619	2,179	2,309	2,581	3,075
Net Income	1,251	1,045	1,209	1,375	1,691
Diluted EPS	\$1.18	\$0.99	\$1.14	\$1.34	\$1.68
Cash Dividend	\$0.65	\$0.65	\$0.65	\$0.65	\$0.65
P&L Statistics					
Sales Growth	(0.2%)	(2.7%)	4.6%	9.4%	13.2%
Gross Margin	56.4%	55.8%	56.4%	57.9%	59.3%
Advertising to Net Sales	6.5%	7.1%	7.7%	8.9%	11.0%
R&D to Net Sales	2.2%	2.3%	2.2%	2.2%	2.0%
SG&A to Net Sales	31.3%	35.2%	35.5%	36.2%	35.8%
PFO Margin	25.1%	20.7%	21.4%	21.6%	23.5%
EBITDA Margin	31.5%	27.0%	27.3%	27.9%	29.4%
Effective Tax Rate	32.7%	31.0%	31.0%	30.0%	29.1%
Net Income Margin	15.1%	12.9%	14.3%	14.9%	16.1%
Asset Management Statistics					
Days Sales Outstanding	93	55	43	32	24
Inventory Turns	3.1	3.5	4.0	3.5	3.3
Inventory Days	117	103	92	103	111
Account Payable Days	41	41	58	54	60
Cash Cycle Days	169	117	77	81	75
Working Capital to Net Sales	21.5%	16.2%	8.4%	1.6%	0.4%
Cash Flow Statistics					
Operating Cash Flow (% of Net Sales)	19.3%	25.9%	24.6%	28.5%	21.4%
Free Cash Flow (% of Net Sales)	9.8%	18.9%	20.3%	24.6%	16.2%
EBITDA to Net Interest	12.0	15.5	39.1	61.5	83.1
Net Debt to EBITDA	1.7	1.5	1.2	1.0	0.8
Returns					
Returns on Assets	28.5%	24.6%	29.3%	33.3%	40.2%
Return on Equity	50.2%	51.5%	55.0%	61.3%	66.8%
Return on Invested Capital	14.0%	16.8%	23.4%	28.2%	34.3%
Cash Flow Return on Invested Capital	22.8%	35.3%	39.1%	53.0%	44.9%
Employee Statistics					
Employees	35,200	31,500	30,300	29,400	28,700
Sales/Employee	236,080	256,635	278,990	314,690	365,038
PFO/Employee	59,205	53,016	59,703	68,129	85,885
Other					
Capex % of Net Sales	9.5%	7.7%	4.8%	4.4%	5.9%
Depreciation % of Net Sales	5.6%	5.6%	5.7%	6.0%	5.6%
Dividend Payout Ratio	55.1%	65.7%	57.0%	48.5%	38.7%
Long Term Credit Rating (S&P)	AA	AA-	AA-	AA-	AA-
Pension Assumptions					
Discount Rate	7.0%	6.8%	6.2%	5.8%	5.3%
Long Term Return on Assets	9.1%	9.1%	8.6%	8.0%	7.7%
Compensation Increases	4.7%	4.2%	3.8%	3.7%	3.8%

Source: The Gillette Company 10-K and Annual Reports

Gillette Investor Fact Sheet



Note: Data excludes one-time changes

Financial Ratio Definitions

Asset Management Statistics

Days Sales Outstanding (DSO): = Trade Accounts Receivable/ Average Daily Net Sales

Inventory Turnover: = Annual cost of goods sold/average inventory

Inventory Days: = Inventory/average daily cost of goods sold

Accounts Payable Days: = Accounts Payable/ average daily cost of goods sold

Cash Conversion Cycle: = Days of Inventory + Days sales outstanding – Days of payables

Working Capital to Sales: = [Current Liabilities (excluding Cash & Equivalents) less Current Liabilities (excluding Current Debt Outstanding)] / Net Sales

Cash Flow Data

EBITDA: = Earnings Before Interest, Taxes, Depreciation & Amortization

Operating Cash Flow: = Net Income + Depreciation & Amortization + changes in Working Capital

Free Cash Flow: = Operating Cash Flow – Capex

Returns

Return on Assets: = PFO / year-over-year average Operating Assets
Operating Assets include Inventories, Receivables, and Net Fixed Assets.

Return on Equity: = Net Income / average year-over-year Shareholders Equity

Return on Invested Capital: = Net Operating Profit after Tax / (Total Debt + Equity - Cash & Equivalents)

Note: All measurements exclude one-time charges

Cautionary Statement

Certain statements in this material which are not considered historical facts or information are “forward-looking statements” within the meaning of the Private Securities Litigation Act of 1995. Such forward-looking statements are based on management’s reasonable current assumptions and expectations. There are, however, a number of factors that can affect the Company’s future prospects and progress. These include, among other things, the acceptance of new products, economic conditions and the competitive market environment, all of which contain elements of uncertainty. Please refer to the Cautionary Statements contained in the Company’s 10-K and 10-Q filings for a more detailed explanation of the inherent limitations in such forward-looking statements.

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