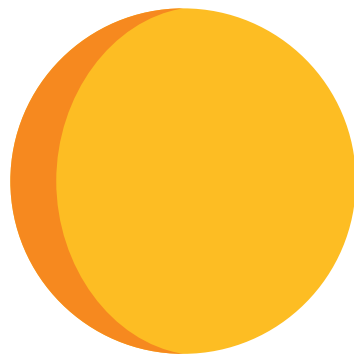


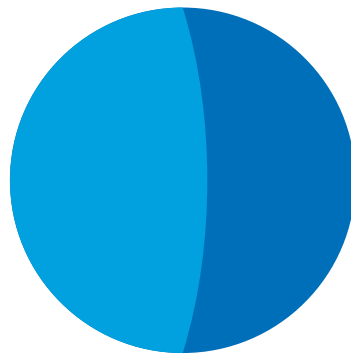


## Answers to Frequently Asked Questions



the exchange of common stock of  
**The Gillette Company**

into common stock of  
**The Procter & Gamble Company**



The merger of The Gillette Company with The Procter & Gamble Company has become effective. As a result of the merger, each share of Gillette common stock was converted into the right to receive 0.975 shares of P&G common stock. Your Gillette shares, held book-entry through the BuyDIRECT Plan and/or in DRS form, will be automatically converted into shares of P&G common stock.

This document provides answers to frequently asked questions about the exchange of your Gillette common stock into P&G common stock resulting from the merger. If you have additional questions or need assistance with respect to your Gillette shareholder account, please contact the Bank of New York at 1-888-218-2841 (inside the U.S.) or 1-212-815-3700 (outside the U.S.), Monday through Friday, 9 a.m. to 5 p.m., Eastern Time.



# The Gillette Company / The Procter & Gamble Company Merger

## Answers to Frequently Asked Questions

### **What will I receive in exchange for my Gillette Shares?**

As a result of the merger, each of your Gillette shares has been converted into the right to receive 0.975 shares of P&G common stock.

Gillette shares held in the BuyDIRECT Plan, including dividend reinvestment shares, are being automatically converted into the P&G Shareholder Investment Program ("SIP") at the 0.975 rate, with resulting fractional shares credited to your P&G SIP account. An account statement will be mailed to you confirming this automatic conversion. Additional information on the P&G SIP can be found in the enclosed P&G Shareholder Booklet.

Gillette shares held in the Direct Registration System ("DRS") are being automatically converted into whole shares of P&G common stock in DRS form. An account statement will be mailed to you confirming this automatic conversion. A check for the cash equivalent of any fractional P&G share, if applicable, will be mailed under separate cover. Additional information on DRS can be found in the enclosed P&G Shareholder Booklet.

### **I hold some of my Gillette shares in certificate form. Do I need to do anything with my Gillette stock certificates?**

Yes. You will need to surrender your Gillette common stock certificates to the Exchange Agent. In about a week, you will be receiving a separate mailing with detailed instructions on how to exchange your Gillette common stock certificates.

### **When will I receive my P&G shares?**

Confirmation of your P&G shares resulting from the automatic conversion of your Gillette BuyDIRECT plan shares and/or Gillette DRS shares (if any) will be mailed to you within two weeks following the effective date of the merger.

### **What is the Direct Registration System (DRS) and what are the benefits to me?**

DRS is a non-certificate, book-entry, statement-based method of holding shares registered directly on the records of the issuing company. DRS is a securities industry initiative, supported by the SEC, intended to improve the efficiency of clearing/settlement of securities transactions in the capital markets. Benefits of holding shares in DRS form include:

- DRS shares carry all the rights and privileges afforded to certificated shares;
- costs associated with the holding of physical certificates such as storage/safekeeping and/or certificate replacement are eliminated;
- DRS enables electronic transactions, such as share transfer or delivery to/from a brokerage account without the need to deliver a physical certificate; and
- costs to the issuing company for printing and delivery of stock certificates are eliminated.

For more information on DRS, please see page 4 of the enclosed P&G Shareholder Booklet.

### **Will I be able to get a P&G stock certificate if I want one?**

Yes. Following receipt of your account statement confirming your new P&G shares, you may obtain a stock certificate by completing, signing and mailing a Sale/Certificate Withdrawal Form to **Procter & Gamble Shareholder Services, PO Box 5572, Cincinnati, OH 45201-5572**. A Sale/Certificate Withdrawal Form may be downloaded and printed from the P&G website at [www.pg.com/investing](http://www.pg.com/investing) or you may request the form by contacting P&G Shareholder Services.

### **Does P&G have a dividend reinvestment plan?**

Yes. It's called the Procter & Gamble Shareholder Investment Program ("SIP"). The P&G SIP is a direct purchase – dividend reinvestment plan with features similar to those of the Gillette BuyDIRECT Plan. This Program allows participants to reinvest their dividends and make optional cash purchases of P&G stock directly through the Program. More information on the P&G SIP may be found starting on page 2 in the P&G Shareholder Booklet provided with this mailing, and in the plan Prospectus. You will be provided with a Prospectus following receipt of your new P&G shares. You may also download and print the Prospectus at any time from P&G's website at [www.pg.com/investing](http://www.pg.com/investing).

### **Will the reinvestment elections I've made on my Gillette shares be carried forward to my P&G account?**

Yes. Also, please note that any partial dividend reinvestment elections on your Gillette shares will generally be carried over on a share for share basis. Therefore, you may find it necessary to adjust your partial reinvestment election since you will hold fewer P&G shares that may pay a different rate than your Gillette shares. Following receipt of your P&G shares you can contact P&G Shareholder Services for information pertaining to your reinvestment election.

**I've elected to receive my Gillette dividends via direct deposit to my bank account. Will my future P&G dividends be automatically enrolled for direct deposit?**

Yes, provided that the bank account and routing numbers on file are current.

**Through the BuyDIRECT plan, I've elected to make automated monthly optional cash investments in Gillette common stock by Electronic Funds Transfer ("EFT") from my bank account. Will this election carry forward to my P&G account?**

No, this election will not automatically carry forward to your P&G account. However, a similar feature is available to P&G shareholders through the P&G Shareholder Investment Program. If you want to make automated optional cash investments in P&G common stock, you will need to complete a new enrollment and return it to P&G Shareholder Services. You can download and print an Automatic Investment Enrollment Form from [www.pg.com/investing](http://www.pg.com/investing) or you can contact P&G Shareholder Services to have a form mailed to you.

**What is P&G's dividend policy?**

Procter & Gamble has paid a quarterly dividend on its common stock every year since 1890. Quarterly dividends have historically been paid on or about the 15<sup>th</sup> day of February, May, August, and November. 2005 marks the 49<sup>th</sup> consecutive fiscal year of increased common share dividends. The current quarterly dividend rate is \$0.28 per share. Despite past practice, the decision to declare a dividend and in what amount depends upon earnings, financial requirements, and other company considerations.

**Who is the transfer agent for P&G common stock?**

Procter & Gamble serves as transfer agent for its common stock. The address is:

The Procter & Gamble Company  
Shareholder Services Department  
P.O. Box 5572  
Cincinnati, OH 45201-5572

Additional information on available services may be found in the enclosed P&G Shareholder Booklet.

**Will I be able to access my P&G shareholder account on-line?**

Yes. All you need is ordinary internet access. P&G shareholders can access their accounts by clicking "My Shareholder Account" on P&G's website at [www.pg.com/investing](http://www.pg.com/investing). Following the mailing of your account statement confirming your new P&G shares, you will be mailed a letter telling you how to enroll your account for on-line access. This letter will also include a security code to be used for your initial log-in and enrollment. If you don't receive this letter, you may request the instructions and security code by clicking "Enroll for On-Line Access" on [www.pg.com/investing](http://www.pg.com/investing) or by contacting P&G Shareholder Services. Features available through on-line access include:

- Account Balance & Value (updated daily)
- Account Maintenance (Address change, reinvestment election, email address, etc.)
- Printable Tax Forms (1099-DIV, 1099-B)
- Electronic Statements
- Earnings History

Please note that on-line account access is through a secure site. Following initial log-in with the security code provided, you will be prompted to establish your own PIN.

**What are the tax consequences of the merger to Gillette shareholders?**

Holders exchanging their Gillette shares for P&G shares will not recognize, for U.S. federal income tax purposes, any gain or loss upon the exchange, except that a Gillette shareholder who receives cash in lieu of a fractional P&G share will recognize a gain or loss equal to the difference between that payment and the tax basis allocated to the fractional share. Any such cash payment will be reported on IRS Form 1099-B. For more detail, please refer to "Material Federal Income Tax Consequences of the Merger" found in the joint proxy statement/prospectus filed by P&G and Gillette on May 25, 2005.

Please be aware that the tax consequences of the merger described above may not apply to some holders of Gillette common stock, including some types of holders specifically referred to on page I-34 of the joint proxy statement/prospectus. Also, you may be subject to state, local or non-U.S. tax laws that are not discussed here. Accordingly, please consult your tax advisor for a full understanding of the particular tax consequences of the merger to you. To ensure compliance with requirements imposed by the IRS, we inform you that, unless explicitly provided otherwise, any U.S. federal tax advice contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue Code or (ii) promoting, marketing or recommending to another party any transaction or matter addressed herein.

**What is my tax basis in the shares of P&G I will receive?**

A holder of Gillette common stock will have a tax basis in the P&G common stock they receive equal to: 1) the tax basis of the Gillette common stock surrendered, minus 2) any tax basis of the Gillette common stock surrendered that is allocated to a fractional share of P&G common stock paid to the holder in cash.

**How is the amount of the cash payment in lieu of fractional P&G shares determined?**

Gillette shares held in DRS form will not receive fractional P&G shares in the exchange. Instead, any fractional P&G share resulting from applying the 0.975 exchange rate to your Gillette share balance will be paid in cash in an amount equal to that fraction multiplied by P&G's closing price on the Effective Date of the merger. Attached to the check will be a transaction advice showing the number of fractional shares and share price used to determine the amount. Please note that if you have never certified your taxpayer identification number with Gillette on Form W-9, backup withholding will be taken out of the cash in lieu payment. You can certify your taxpayer identification number by completing IRS Form W-9 (W-8BEN for non-U.S. residents) and returning it to P&G Shareholder Services. Forms W-9/W-8BEN are available on P&G's website at [www.pg.com/investing](http://www.pg.com/investing), or you may contact P&G Shareholder Services to have the form(s) mailed to you.

**What if my address has changed?**

You should contact P&G Shareholder Services to report a change of address. Please see "Address Change" starting on page 12 of the P&G Shareholder Booklet for more information.

**What if my account needs to be tax certified or my Tax ID number needs to be changed?**

To certify or report a change of your taxpayer identification number you should complete IRS Form W-9 (W-8BEN for non-U.S. residents) and return it to P&G Shareholder Services. Forms W-9/W-8BEN are available on P&G's website at [www.pg.com/investing](http://www.pg.com/investing), or you may contact P&G Shareholder Services to have the form(s) mailed to you.

**I already have shareholder accounts with both P&G and Gillette before (or on) the merger Effective Date. Will the new P&G shares I receive in the exchange be credited to my existing P&G account?**

Generally, no. However, you may contact P&G Shareholder Services at any time to request that your accounts be consolidated.

**What do I do if I hold Gillette shares with my broker or custodian bank?**

Your broker or custodian bank will exchange these shares for you. Please contact them directly for verification.

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