

Crest

THE MARKET

The U.S. dentifrice market is highly competitive, fueled by improved benefits and new product introductions. According to the latest available statistics, the dentifrice market accounts for nearly \$2 billion in annual sales and is growing at an annual rate of 4 percent.

The market is segmented into base and premium, with base products offering cavity and tartar protection and premium products offering multiple benefits and whitening. The premium segment is driving category growth as consumers seek new and improved products.

ACHIEVEMENTS

Crest has been a leader in oral care innovations since its introduction in 1955 and has been the leading toothpaste brand in the United States over the past 45 years. It was the first dentifrice to be recognized by the American Dental Association and the first authorized to use the ADA name in advertising.



In 1976, the American Chemical Society recognized Crest with fluoride as one of the 100 greatest discoveries of the previous 100 years. Crest, in 1999, was the first whitening toothpaste to receive the ADA Seal of Acceptance for effectively whitening teeth by gently polishing away surface stains.

In December 2001, Crest Whitestrips was named one of the year's seven best new products in the *Good Housekeeping* Institute's annual Good Buy Awards. Crest Whitestrips also took home top honors in Cosmetic Executive Women's Best in Beauty Awards (the first time ever for an oral care product), and was voted one of the best new products by *Glamour* magazine's readers in 2002.



HISTORY

In 1928, natural fluoride in water was identified as a major factor in reducing tooth decay. The development of a fluoride toothpaste actually began in the early 1940s, when Procter & Gamble started a research program to find ingredients that would reduce tooth decay when added to a dentifrice. At that time, analysts estimated that Americans

developed more than 700 million cavities a year, making dental disease one of the most prevalent U.S. health problems.

In 1950, Procter & Gamble developed a joint research project team headed by Dr. Joseph Muhler at Indiana University. Dr. Muhler and his research team began the first clinical tests of the new toothpaste two years later, with startling results. One test among children ages 6 to 16 showed an average 49 percent reduction in cavities. Furthermore, the toothpaste also reduced tooth decay for adults to almost the same degree. In 1954, Procter & Gamble submitted the results of its extensive testing to the American Dental Association, which accepted the findings.

Test marketing of Crest with Fluoristan began in 1955. Though initial sales were disappointing, the company maintained confidence in the product, launching it nationally in January 1956. Still, consumers did not recognize Crest's unique advantage. Procter and Gamble needed a way to convince them that they were indeed benefiting from the product's decay-preventing quality. Since consumers could not see the benefit, they needed to hear it from a respected authority.

Crest's developers recognized early that the American Dental Association could grant such recognition. Beginning in 1954, P&G submitted to the ADA the results of the company's extensive clinical tests. The ADA, however, never before had recognized a toothpaste and had an attitude of suspicion toward dentifrice advertising. To its credit, the ADA maintained an open mind on the Crest presentation. As P&G's clinical evidence mounted, the ADA evaluated it carefully and asked for more data.

On August 1, 1960, the association reported, "Crest has been shown to be an effective anti-caries (decay preventive) dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care."

The ADA did not merely recognize Crest's benefits. For the first time in ADA history, the

On April 6, 1976, the official publication of the American Chemical Society listed the great discoveries of the last 100 years. We're proud to be one of them.

The following is a chronology of the important chemical and related events since 1856 as listed by Chemical & Engineering News.

1856-78 Publication of "On the Equilibrium of Heterogeneous Substances."
1857 Use of aluminum chloride to catalyze aromatic hydrocarbons and alkyl halides.
1859 Journal of the American Chemical Society founded.
Discovery of selenite.
1860 "Handbooks" published.
1864 The Solvay process for making soda ash—first used in Belgium in 1865—is transferred to the U.S.
1866 Aluminum prepared electrolytically.
Fluorite prepared.
First synthesis of alkaloid Dicumarol.
1868 Ionic dissociation theory proposed.
Effect of temperature and pressure on equilibrium studied.
Influence of temperature on reaction rates discovered.
1871 Silicon carbide (Carborundum) produced.
1872 Invention of electric furnaces.
Thermite flask introduced.
Chlorine produced electrolytically in U.S.
1873 First potentiometric titration.
Theory of coordination in chemistry announced.
Discovery of urea.
1877 Catalytic hydrogenation of unsaturated organic compounds is accomplished.
Discovery of electron.
Synthetic indigo is produced in Germany.
1889 Discovery of insulin.

Double helix model for DNA proposed.
The amino acid sequence of insulin determined.
1901 TPP (triethyl phosphonium) and boron gain use as fuel additives.
1905 A stannous fluoride toothpaste (Crest) developed by Procter & Gamble.
Synthetic diamond developed.
Demonstration of antiproton.
Use of psychochemicals for treating mental illness increases.
Low-pressure, low-temperature Ziegler polymerization reported.
Canadian catalyst used to produce H₂S0₄.

association granted the use of its name in consumer advertising for a commercial product. The response was electric. Within a year, Crest's sales nearly doubled. By 1962, they had nearly tripled, pushing Crest well ahead as the best-selling toothpaste in the United States.

THE PRODUCT

Crest's heritage is grounded in the dentifrice market, but the company has expanded into many other oral-care product lines. It now offers a broad range of products for dental needs and conducts the nation's best-known activities on behalf of good dental practices among children.

RECENT DEVELOPMENTS

The Crest brand has reached major milestones over the past two years that for the first time have made high-quality products and a beautiful, white smile affordable and accessible to everyone.

In May 2001, Crest Whitestrips was launched on store shelves nationwide. The tooth whitening system uses clear, flexible strips coated with an enamel-safe whitening agent — hydrogen peroxide, the same as dentists use. The strips are worn

twice a day for 30 minutes at a time, for 14 days. At under \$30 per box (which contains a two-week supply for the upper and lower teeth), having a noticeably whiter smile has never been easier.

In 2002, Crest launched the first major toothpaste made expressly for women. Crest Rejuvenating Effects is designed to help keep smiles looking and feeling younger longer through a combination of three properties to remineralize enamel, refresh gums and breath, and restore whiteness to the teeth. "Crest Rejuvenating Effects delivers the experience that women have come to expect from their beauty care products," says Diane Dietz, North American marketing director for Crest. "We've worked hard to push toothpaste to the next level — beauty — by listening to consumer insights on what women expect from a toothpaste. Everything about the product — presentation, packaging, aesthetics, and the sensory experience — evokes radiance and beauty."

Also in 2002, Crest Whitening Plus Scope became the only toothpaste to combine the whitening action of Crest with the freshening power of Scope for an all-in-one easy and convenient toothpaste.

Crest continued to expand its line of high-performance, battery-powered SpinBrushes in 2002 with the launch of Crest SpinBrush Pro, which brings consumers the technology, design, and cleaning power of more expensive brushes for a fraction of the price. The SpinBrush, says Michael Kehoe, P&G's vice president/general manager for global oral care, has "become the most popular power brush in America and is leading the conversion of

stated that the country is suffering from an oral health epidemic — especially among children in low-income and minority communities.

With the goal of delivering dental health education, tools, and increased access to dental professionals to underserved children, CHS 2010 expects to reach at least 50 million children by 2010. Acting on the principle that oral health is integral to overall health, CHS 2010 has forged public/private partnerships with organizations including the Boys & Girls Clubs of America (B&GCA), the American Dental Association (ADA), the American Academy of Pediatric Dentists (AAPD), and leading members of the local dental communities to bring real change to the lives of underserved children.

CHS 2010 program initiatives provide substantive dental care and education to underserved communities with a variety of programs that include building dental clinics called Crest Smile Shoppes in nine cities, sponsorship of mobile dental van programs run by local dental schools, and treatment, screening, and education events year-round throughout the country.

CHS 2010 and B&GCA work closely to implement a curriculum program called the Cavity-Free Zone, which uses fun games and activities to teach club members about good oral health. All clubs are designated Cavity-Free Zones, a place where good oral health is a priority.

CHS 2010 reaches 90 percent of all first-grade classes in the United States through broad-based in-school oral health education programs.

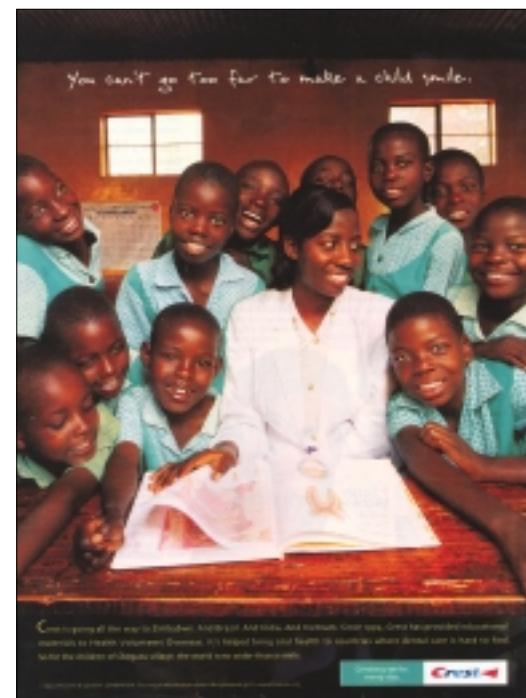
PROMOTION

The advertising campaign that launched the Crest brand has become one of the most memorable in marketing history. In television commercials, smiling children proudly proclaimed, "Look, Mom — no cavities!" Along with the TV campaign, print ads illustrated by Norman Rockwell became classics.

In recent years, Crest has expanded its advertising efforts beyond the product to highlight the brand's commitment to promoting good oral health worldwide. This breakthrough equity campaign has showcased Crest's support of such key areas as dental education for children, geriatric dentistry, and professional dental education.

Both ethnic and interactive marketing have received increased attention in recent years. Crest has taken its marketing message to the growing Hispanic community, developing culturally relevant Spanish-language advertising that features as spokesperson Maite Delgado, a popular Hispanic talk-show host.

The launch of Crest Rejuvenating Effects in October 2002 marks the first time Crest has used a major celebrity spokesperson to represent toothpaste in an advertising campaign. Multitalented actress and singer Vanessa Williams appeared in extensive TV and print ads, direct-to-consumer promotions, and in-store product displays.



To bring its message of good oral health online, Crest developed the innovative Sparkle City Web site. Designed as an interactive teaching tool, Sparkle City supports the efforts of teachers, parents, and dental professionals to instill in children good dental habits that will last a lifetime.

BRAND VALUES

Crest is a brand that has continually pushed to improve oral health. Crest is among the most trusted household brands, a value reinforced by the continued recognition of its products by the American Dental Association.

Crest is committed to opening up the smiles of consumers around the world. Through innovative products and community outreach efforts, Crest is combining education with the proper tools to do the job for which Crest was created: improving the dental health of all its users.

THINGS YOU DIDN'T KNOW ABOUT CREST

- The day after the American Dental Association gave its first-ever product endorsement to Crest on August 1, 1960, the volume of buy orders for Procter & Gamble stock was so great that trading was delayed for an hour and a half.
- As one of the Procter & Gamble companies, Crest is part of a global organization that makes and markets health-care products in 140 countries with roughly \$37 billion in annual worldwide sales.
- Researchers tested more than 500 fluoride compounds before focusing on the two most promising — iridium and stannous fluoride — with the latter ultimately chosen.
- The factors that led P&G to the development of Crest included awareness that children in several towns in the western part of the country were virtually cavity-free because of the natural presence of fluoride in their communities' drinking-water supplies.



manual brush users to powered brushes." The price of the Crest SpinBrush ranges from \$4.99 to \$6.99, which is affordable for most families.

Another landmark was the development of Crest Healthy Smiles 2010 (CHS 2010), a program created in May 2000 in response to a report by former U.S. Surgeon General David Satcher. The report