



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 just over \$7.6 billion in annual sales and is growing at an annual rate of 17.6 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. In 2005, Crest was thrilled to celebrate its 50th year of providing healthy, beautiful smiles to families across the country. 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. In 2006, Crest received another ADA seal of acceptance for its Pro-Health toothpaste.

HISTORY

The development of a fluoride toothpaste 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, Americans developed an estimated 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 to study a new toothpaste with fluoride. The study's startling results indicated that children ages six to 16 showed an average 49 percent reduction in cavities, and adults showed tooth decay reduction to almost the same degree. In 1954, Procter & Gamble submitted the results of its extensive testing to the American Dental Association. Test marketing of Crest with Fluoristan began in 1955; while initial sales were disappointing, they moved forward with the national launch in January 1956.

The ADA reported on August 1, 1960, that "Crest has been shown to be an effective anticaries (decay preventative) dentifrice that can be of significant value when used in a conscientiously applied program of oral hygiene and regular professional care." 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.

In 2001, Crest revolutionized at-home whitening with the launch of Crest Whitestrips®, the first-ever patented strip technology designed to whiten teeth in 14 days. The unique strip format conforms to the shape of teeth, utilizing the same enamel-safe ingredients dentists use for close contact of the whitening agents with the tooth surface to get at stains beneath the surface of teeth. Today, over 30 million people have tried Crest Whitestrips products.

In 2003, Crest added dental floss to its range of oral care products by purchasing the Glide floss business from W. L. Gore & Associates. Since then, Crest has worked to extend the No. 1 dentist-recommended brand of floss, offering consumers a superior range of products. All Glide flosses are fashioned from GORE-TEX® material that resists shredding and slides comfortably between

the teeth and below the gum line to remove food particles and plaque. In April 2005, Crest completed its oral care portfolio with the introduction of its first mouthwash, Crest Pro-Health Oral Rinse. The formulation is alcohol-free and has been shown in laboratory tests to kill 99 percent of common germs that can cause plaque, gingivitis, and bad breath — all without the burn of alcohol.

Another landmark for Crest was the development of Crest and Oral-B Healthy Smiles (COHS), created in 2000 to improve the state of oral health by providing access, education, and tools to underserved children and their families. To bring real change, COHS has forged partnerships with organizations including Boys & Girls Clubs of America, the ADA, and leading members of local dental communities. Throughout the country, COHS has built 10 Crest Smile Shoppes (dental clinics), sponsored four mobile dental van programs, and organized treatment, screening, and education events year-round.

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

As the market leader in the tooth whitening category, in January 2006 Crest introduced Crest Whitestrips Renewal, a new age-defying solution for the smile, designed to remove 20 years of stains from teeth. The new product launch was supported with a fully integrated marketing campaign that included television, print, and online advertising; in-store displays; consumer promotions; public relations; and interactive elements, all themed to "Keep Them Guessing" about the consumer's age.

In August 2006, Crest launched Crest Pro-Health Toothpaste after ten years of testing and development. This breakthrough dentifrice marked a significant advance in at-home oral care by providing a number of therapeutic oral health and whitening benefits combined in one product. Its exclusive, proprietary Crest technology, the Polyfluorite System®, makes it the first and only toothpaste that protects against all these areas dentists routinely check — gingivitis, plaque, cavities, tartar, sensitivity, and stains — and it freshens breath. Crest Pro-Health has the ADA seal of acceptance; its technology is supported by 15 patent applications and more than 70 published pieces of literature on the ingredients. The toothpaste delivers three FDA-recognized oral health care benefits: anticaries, antigingivitis, and protection against sensitivity. Since its launch, Crest Pro-Health has become one of the top-selling toothpastes in America.





In September 2006, Crest partnered with *Scientific American* magazine to present the most comprehensive information and expert opinions regarding the relationship between oral health and whole body wellness, including potential implications for future health-care models. The partnership showed that Crest is committed to furthering research in this area, plus helping consumers understand the implications of gingivitis and periodontal disease and how to prevent these conditions.

Crest Whitestrips revolutionized the traditional at-home whitening regimen in March 2007 with the introduction of Crest Whitestrips Daily Multicare, the first and only daily strip technology available that was specially designed as the five-minute solution for the smile, whitening teeth in just five minutes a day. Working in three ways, Crest Whitestrips Daily Multicare was designed to remove surface stains, whiten by deep cleaning, and protect teeth from everyday stain buildup, as the rate of whitening is higher than the rate of stain accumulation. To support the product launch, Crest Whitestrips enlisted the most current celebrity experts to form the "Brighter 5 Team" to provide exclusive time-saving tips and multitasking beauty and grooming tricks on a branded microsite, www.Brighter5.com.

The latest addition to the Glide family, Glide Shred Guard, launched in March 2007. The floss has added GORE-TEX® material to make this floss up to 30 percent stronger than Glide Original, so it is shred-resistant-guaranteed and less likely to get stuck between teeth.

In another first from Crest, in April 2007 the brand introduced the new Crest Nature's Expressions toothpaste, a unique combination of Crest's trusted formula enhanced with natural flavor ingredients for a refreshing and invigorating brushing experience. The product's three variants, Pure Peppermint Fresh, Citrus Clean Mint, and Mint + Green Tea Extract feature natural flavor ingredients, which are naturally sourced and minimally processed. Nature's Expressions was developed for the "mainstream naturals" consumer, a woman who wants to experience natural ingredients but

whose preference indicates a strong loyalty to brands with established heritage. The toothpaste's unique formula balances health and beauty benefits that, with regular brushing, fight cavities and tartar buildup, remove plaque, help freshen breath, and polish away stains for whiter teeth.

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 2005, Crest celebrated its 50th year of providing healthy, beautiful smiles to families across the country. To celebrate, the brand held a national search for a child to be featured in an updated version of the iconic Norman Rockwell advertisements. The winning child's ad was featured in an issue of *People* magazine. Enya Martinez, a five-year-old child from Miami, Florida, was

chosen as the new face of Crest. Whereas Norman Rockwell's ads represented America in the fifties, Enya reflects the diversity of America's children in the new millennium.

In recent years, Crest has expanded its advertising efforts beyond the product to highlight the brand's commitment to promoting good oral health worldwide. Ethnic and interactive marketing have both received increased attention in recent years. Crest has taken its marketing message to the African American and Hispanic communities, developing culturally relevant advertising, including Spanish-language print and TV ads.

In 2003, the launch of Crest Whitening Expressions marked the second time Crest utilized a celebrity spokesperson when it enlisted renowned chef and flavor expert Emeril Lagasse to represent the new toothpaste in an advertising campaign. Singer and actress Vanessa Williams was the first celebrity spokesperson used in October 2000 for the launch of Crest Rejuvenating Effects.

Due to the growing presence of interactive media and social networks, consumers have greater

access to the media than ever before, allowing them to choose when, where, and how to engage with advertising and information. To adapt to this new marketing landscape, Crest has pushed to the forefront of the "influencer marketing" trend. Influencer marketing grows the brand by working with a variety of influencers to increase the believability of product claims and insert products into consumers' everyday lives in meaningful ways. From celebrity dentists and makeup artists to TV and music superstars, Crest's influencers are successfully creating brand relevance and credibility among target consumers. To reach Generation Y consumers, Crest partnered with MTV personality and hip-hop recording artist Nick Cannon for the launch of Whitening Plus Scope Extreme toothpaste. The campaign included coverage in top entertainment media, a MySpace page, and an online irresistibility quiz. Other Crest initiatives have included country music superstar Martina McBride for Crest Nature's Expressions, TV star Nicolette Sheridan for Crest Whitestrips, and Grammy Award-winning R&B artist Mary J. Blige for Crest and Oral-B Healthy Smiles.

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's dream is to lead the way in the passionate pursuit of perfect oral health so that everyone can have a healthy, beautiful smile for life.

THINGS YOU DIDN'T KNOW ABOUT CREST

- Within two years of its ADA acceptance, Crest's sales nearly tripled, pushing Crest well ahead as the best-selling toothpaste in the United States.
- In 1976, the American Chemical Society recognized Crest with fluoride as one of the 100 greatest discoveries of the previous 100 years.