



RICHARD A. HUGHES
Chief Purchasing Officer

The Procter & Gamble Company
General Offices
2 Procter & Gamble Plaza
Cincinnati, Ohio 45202-3315

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To Our Valued External Business Partners,

As we close the year, I am happy to share with you that in late October P&G hosted the 4th Annual External Business Partner Recognition event in Cincinnati. This tradition has become a highlight of the year not only for those of us in Purchases, but also for our business partners and P&G leadership as well. Most of P&G's senior leadership attended the event, that featured a keynote presentation by P&G President, Chairman of the Board, and CEO Bob McDonald. More than 80 of our top business partners received an Excellence Award from P&G for their contributions to the business in the past year, a 13% increase over last year. From that group, a select few were chosen as winners of the coveted Business Partner of the Year award. These awards are kept secret until they are presented during a day of festivities and celebration. It's a lot of fun hosting, and a true honor for us to distribute these awards to our top business partners each year.

This year's Excellence Award winners all performed at a sustained high level in four key performance areas: operational, innovation, commercial, and relationship. Our process collects data on business partners' performance with P&G in each of these four areas and includes not just Purchases' data but that of our cross-functional partners as well to ensure we have a holistic view of a partner's performance. We then tabulate the scores, and the top tier wins Excellence Awards. This award is so elite only 1% of our supply base received it this year.

If your company won an Excellence Award this year, I offer you my personal congratulations and thank you for all you do to help us touch and improve consumers' lives. I'd also like to extend a special congratulatory note to the twelve winners of the distinguished honor of Business Partner of the Year. The twelve winners this year represent the crème de la crème of our partners. The point is to differentiate this group from the Excellence Award winners. The 2011 Business Partner of the Year winners are: Albany International Corp., Éltex Ltd., Ernst & Young, Farm Frites International B.V., Firmenich, Infosys Limited, Novozymes, Pegas Nonwovens, QPSI/RockTenn, Southern Graphic Systems, Intl., Yamada Electric, and Zahoransky AG.

This is an event that every P&G business partner should aspire to attend. P&G wants to be your partner of choice, the company to which you assign your best teams, and your highest priority partner for business and value creation. To quote Bob McDonald, "We have tremendous partnerships with our external business partners around the world. These relationships are powerful because they are focused on a common Purpose – to touch and improve people's everyday lives." We value our relationship with you, and look forward to more collaboration and innovation in the coming year.

As I reflect back on my decade as Chief Purchasing Officer, the highlights have to include the relationships we've forged and the dedication your company and P&G share in the pursuit of our common Purpose. Thank you.

With the end of the year coming, I'd like to close with a quick reminder about P&G's gift giving policy. You will soon be receiving a letter from me addressing this, so I'll be brief. It is P&G's policy for all employees not to accept gifts from our external business partners. We have a long-standing request of our partners that gifts not be offered to any employee. This applies to gifts of any value, even promotional and marketing-type gifts. I appreciate your help and adherence to this policy.

Thanks again for all you do for P&G, and I wish you the best for a successful 2012.

Rick Hughes