



Stewart Atkinson
Chief Purchasing Officer

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To Our Valued External Business Partners,

I hope this finds you well and, again, I appreciate all you are doing for P&G.

P&G's third quarter 2016 earnings report was shared on April 26. Organic sales increased 1%. All-in sales were down 7%, including a 5 point headwind from foreign exchange. All-in core earnings per share were down 3% and equal to year ago excluding foreign exchange. We continue to make progress on the transformation we are making to return P&G's results to a balance of strong top line growth, bottom line growth, and cash generation. We're making progress in many of our categories, countries and brands on the reacceleration of top-line growth, but there is more work to do. At the same time, we delivered another strong quarter of productivity improvement and cost savings. And we increased investments in innovation, advertising, and selling capacity to enhance our long-term prospects for faster, sustainable top line growth and value creation, even as we continue to operate in a challenging and volatile macro environment. You can read about P&G's results in detail in our Q3 earnings release at www.pg.com, here: <http://news.pg.com/press-release/pg-corporate-announcements/pg-announces-third-quarter-fiscal-2016-results>

We continue to strive for stronger top-line growth. Among the ways to do this is growing users, increasing the number of people worldwide who use P&G products. At the core of growing users is a robust understanding of consumers' needs, and how we can better serve them as an integrated and synchronized supply network.

In previous letters I've shared my thoughts on becoming better connected, integrated and synchronized with P&G. One of the most critical forums for this to occur is in the area of consumer understanding. We need you, as our most strategic suppliers, very closely linked to consumer needs and working across all disciplines to innovate at every moment of truth – from when the consumer researches our products on line, sees the product at shelf, and uses the product at home. This will lead to more effective and productive collaboration amongst our companies. The way to win is to have a deep consumer understanding that leads to insights and observations that, in turn, directs our innovation in a way that fulfills an unmet consumer need.

So how can we collaborate better?

We are working on a new business process that provides a framework for driving OTSR by addressing needs that require close collaboration with external partners. It is not meant to be prescriptive as each situation is unique, but it does detail important considerations that will help improve the outcome as well as make the process more efficient. Ask your P&G relationship owner to discuss what P&G is doing to further our integration and how it relates to your business.

One final note. We've had a few cases recently where business partners distributed a press release without coordinating with P&G first. Please remember that P&G has a policy governing supplier communications, and due to the sensitivities of our business there are many things we do not want publicly communicated or shared publicly. I ask, in the spirit of partnership, that you contact your supplier relationship owner prior to any kind of public communications that mention P&G so that your SRO can work internally to gain alignment. Thanks for your cooperation on this.

Sincerely,

Stewart Atkinson
The Procter & Gamble Company
Chief Purchasing Officer