



A Company History  
1837 - Today



1837 1850 1870 1890 1910 1930 1950 1970 1990 Today

## A Humble Beginning

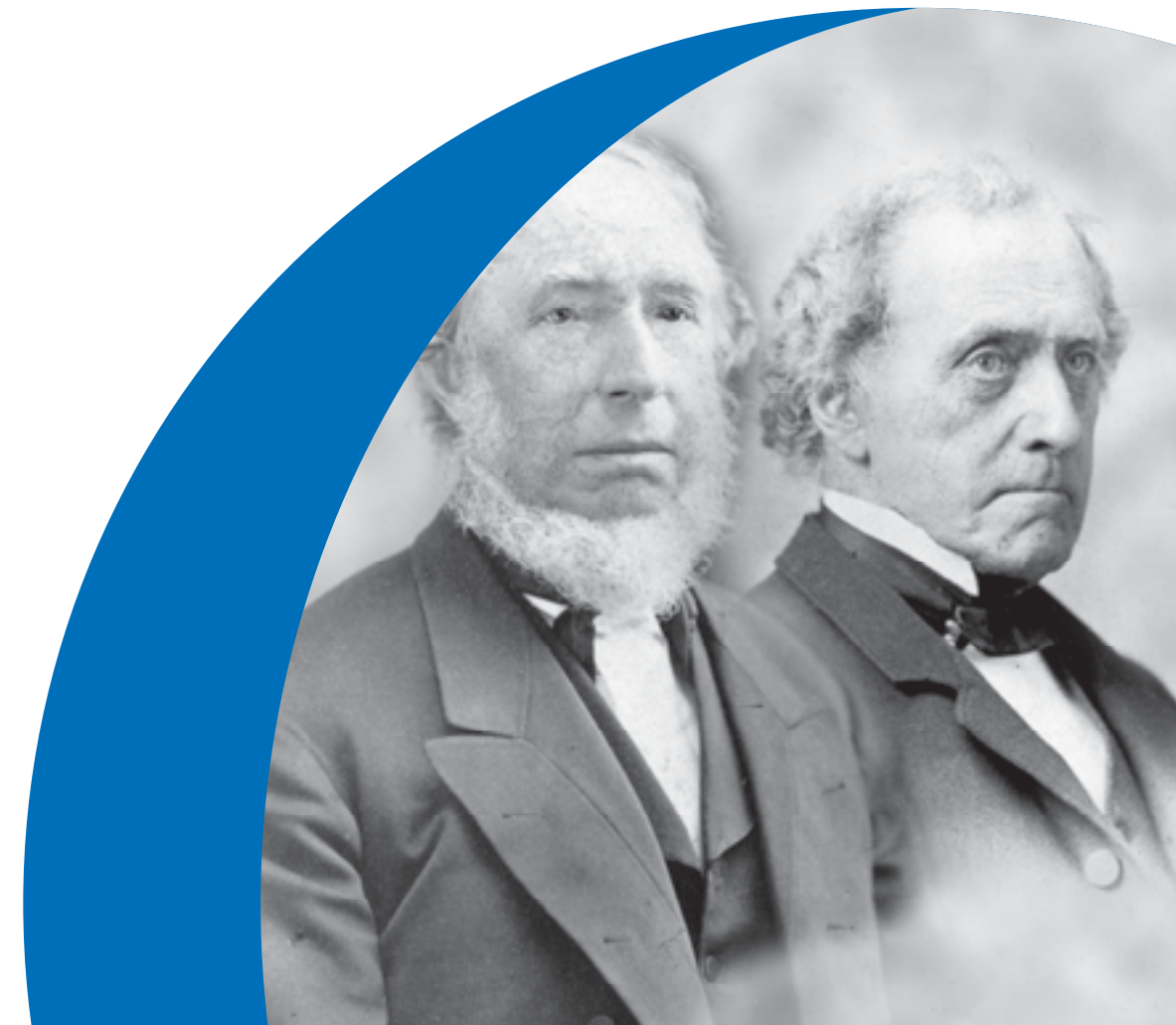
Neither William Procter nor James Gamble ever intended to settle in Cincinnati. Although the city was a busy center of commerce and industry in the early nineteenth century, William, emigrating from England, and James, arriving from Ireland, were headed farther west.

Despite their intentions, however, both men ended their travels when they arrived at the Queen City of the West – William, to care for his ailing wife Martha, who soon died, and James, to seek medical attention for himself.

William Procter quickly established himself as a candle maker. James Gamble apprenticed himself to a soap maker. The two might never have met had they not married sisters, Olivia and Elizabeth Norris, whose father convinced his new sons-in-law to become business partners. In 1837, as a result of Alexander Norris' suggestion, a bold new enterprise was born: Procter & Gamble.



First P&G Office, Sixth and Main  
Cincinnati, Ohio, 1837



William Procter and James Gamble

# 1837 — 1890

**The Partnership Years.** 1837 was a difficult time to start a business. Although Cincinnati was a bustling marketplace, the U.S. was gripped by financial panic. Hundreds of banks were closing across the country. There was widespread concern that the United States was bankrupt. Yet, William and James launched their new enterprise, more concerned about how to compete with the 14 other soap and candle makers in their city than with the financial panic shaking their country.

Their calm in the midst of that economic storm reflected their forward-looking approach to the business – an approach that became the hallmark of Procter & Gamble. In the 1850s, for example, despite rumors of an impending civil war in the U.S., they built a new plant to sustain their growing business. Later, they pioneered one of the nation’s first profit-sharing programs and were among the first in American industry to invest in a research laboratory. By 1890, the fledgling partnership between Procter and Gamble had grown into a multi-million dollar corporation.

Nevertheless, P&G still had its eyes on the future.

## 1837

On April 12, 1837, William Procter and James Gamble start making and selling their soap and candles. On August 22, they formalize their business relationship by pledging \$3,596.47 apiece. The formal partnership agreement is signed on October 31, 1837.



William Procter

## 1850

The Moon and Stars begins to appear in the 1850s as the unofficial trademark of Procter & Gamble. Wharf hands used the symbol to distinguish boxes of Star Candles. By the 1860s, the Moon and Stars appears on all Company products and correspondence. Once a staple of the Company’s product line, candles decline in popularity with the invention of the electric light bulb. The Company discontinues candle manufacturing in the 1920s.



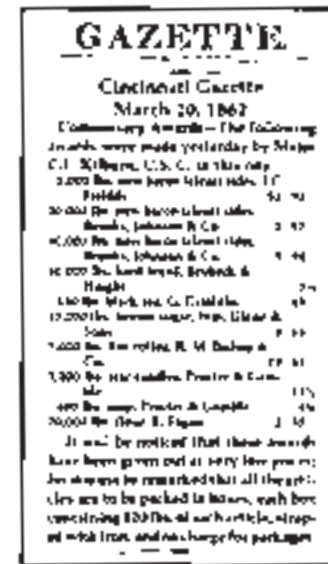
James Gamble

## 1859

Twenty-two years after the partnership is formed, P&G sales reach \$1 million. The Company now employs 80 people.



## P&G Company History Timeline 1837 — 1890



## 1862

During the Civil War, Procter & Gamble is awarded several contracts to supply soap and candles to the Union armies. These orders keep the factory busy day and night, building the Company’s reputation as soldiers return home with their P&G products.

## 1879

James Norris Gamble, son of the founder and a trained chemist, develops an inexpensive white soap equal to high-quality, imported castiles. Inspiration for the soap’s name – Ivory – came to Harley Procter, the founder’s son, as he read the words “out of ivory palaces” in the Bible one Sunday in church. The name seems a perfect match for the white soap’s purity, mildness and long-lasting qualities.



## 1882

Harley Procter convinces the partners to allocate \$11,000 to advertise Ivory nationally for the first time. Ivory’s purity and floating capability are first advertised across the country in the Independent, a weekly newspaper.



Harley Procter

## 1886

Production begins at the Ivorydale factory. Ivorydale replaces the Central Avenue plant, which was heavily damaged by fire in 1884. Designed by noted industrial architect Solon Beman, the plant incorporates the latest technological advances with a pleasant work environment for employees – a progressive approach at that time.



## 1887

To address the storm of local and national labor unrest, P&G institutes a pioneering profit-sharing program for factory workers. This voluntary program, conceived by William Cooper Procter, grandson of the founder, gives employees a stake in the Company. William Cooper Procter wanted this program to help workers realize their vital roles in the Company’s success.



1859 - Central Avenue Plant opens.

# 1890 — 1945

**A Company Built on Innovation.** By 1890, P&G was selling more than 30 different types of soap, including Ivory. Fueled by full-color print ads in national magazines, consumer demand for P&G soaps continued to grow. To meet this increasing demand, the Company expanded its operations outside Cincinnati, with a plant in Kansas City, Kansas, followed by a plant in Ontario, Canada. As each new plant opened, P&G would embark on plans for another.

The research labs were as busy as the plants. Innovative new products rolled out one after another – Ivory Flakes, a soap in flake form for washing clothes and dishes; Chipso, the first soap designed for washing machines; Dreft, the first synthetic house-hold detergent; and Crisco, the first all-vegetable shortening that changed the way consumers cooked.

Each of these new products came from P&G’s in-depth understanding of consumer needs and pioneering approach to market research.

And they were marketed through equally innovative techniques, including radio “soap operas,” product sampling and promotional premiums.



## 1890

After running the Company as a partnership for 53 years, the partners incorporate to raise additional capital for expansion. William Alexander Procter, son of the founder, is named the first president.

P&G sets up an analytical lab at Ivorydale to study and improve the soap-making process. It is one of the earliest product research labs in America.

## 1895

King Camp Gillette invents the first safety razor.

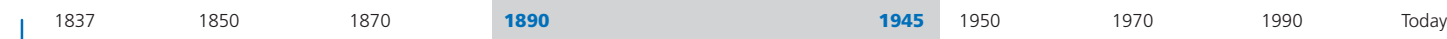


William Alexander Procter



King Camp Gillette

## P&G Company History Timeline 1890 — 1945



## 1896

P&G’s first color print advertisement – an ad for Ivory – appears in Cosmopolitan magazine picturing this “Ivory Lady.”



## 1901

American Safety Razor Company formed in Boston, Massachusetts, later becoming the Gillette Co.



## 1907

William Cooper Procter becomes the head of the Company following the death of his father, William Alexander Procter.



William Cooper Procter

## 1911

P&G introduces Crisco, the first all-vegetable shortening. Crisco provides a healthier alternative to cooking with animal fats and is more economical than butter.



## 1915

The Company builds its first manufacturing facility outside the United States, in Canada. Employing 75 people, the plant produces Ivory soap and Crisco.

## 1919

William Cooper Procter continues his efforts to institutionalize the relationship between the Company and its employees. The articles of incorporation are revised to include the directive that the “interests of the Company and its employees are inseparable.”



## 1917

U.S. Government requests Gillette supply razors and blades for the entire U.S. Armed Forces during WWI.

## 1919 — 1920

Seasonal purchases of P&G products by wholesalers leads to uneven production needs and layoffs of workers at Ivorydale. In response, P&G announces a plan to sell directly to retailers and hires 450 salesmen. This change stabilizes production, reduces employee layoffs and, in the process, changes the way the grocery trade operates.



P&G Company History Timeline 1890 — 1945



1923

Crisco sponsors cooking shows on network radio, placing P&G among the medium's advertising innovators.

1924

A market research department is created to study consumer preferences and buying habits – one of the first such organizations in industry.

1926

In response to the growing popularity of perfumed beauty soaps, P&G introduces Camay.



Richard R. Deupree

1930

William Cooper Procter turns the reins of the Company over to Richard R. Deupree.

1931

P&G's brand management system begins to take shape in the late 1920s. In 1931, Neil McElroy, the Company's promotion department manager, creates a marketing organization based on competing brands managed by dedicated groups of people. The system provides more specialized marketing strategies for each brand and Procter & Gamble's brand management system is born.



P&G establishes the first overseas subsidiary with the purchase of the Thomas Hedley & Co. Ltd. in England. Fairy Soap is one of Hedley's main products.

1933

Dreft, the first synthetic detergent developed for household use, is introduced. The discovery of detergent technology lays the groundwork for a revolution in cleaning technology.



"Ma Perkins," a radio serial program sponsored by P&G's Oxydol soap powder, airs nationally. Its popularity leads P&G brands to sponsor numerous new "soap operas." Faithful listeners become loyal buyers of P&G brands at the grocery.



1934

William Cooper Procter dies and a monument is erected at Ivorydale in his honor. He is the last member of the founding families to run the Company.

The Company enters the hair care business with Drene, the first detergent-based shampoo.



1935

The Company expands its international presence with the acquisition of the Philippine Manufacturing Company – the Company's first operations in the Far East.



1937

P&G celebrates its 100th anniversary. Sales reach \$230 million.

1939

Just five months after the introduction of television in the U.S., P&G airs its first TV commercial (for Ivory Soap) during the first televised major league baseball game.



1943

The Company creates its first division – the Drug Products Division – to sell its growing line of toilet goods.



# 1945 — 1980

**New Lands and Dynamic Growth** In 1946, P&G introduced Tide, its most important new product since Ivory. Tide was remarkably superior to other products on the market, and it quickly became an enormous success – so successful, in fact, that it helped fund the Company’s rapid growth not just into new product lines but also into new markets around the world.

In the years following Tide’s introduction, P&G made its mark in several new businesses. Crest, the first fluoride toothpaste, rose to market leadership on the strength of an unprecedented endorsement by the American Dental Association. The Company’s pulp-making technology fueled its growth in the toilet tissue and paper towel businesses. And P&G literally invented the disposable diaper category with the introduction of Pampers in 1961. The Company also strengthened its existing businesses, expanding into new food and beverage categories – most notably with the acquisition of Folger’s coffee in 1963 – and building on its strong laundry reputation with Downy, its first fabric softener.

Most important, however, was the Company’s growing focus on its international businesses. Convinced that its success in new geographic markets required on-the-ground operations in these countries, P&G began building start-up businesses, first in Mexico, then in Europe and Japan. By 1980, P&G was doing business in 23 countries around the world, with sales of nearly \$11 billion and earnings 35 times greater than in 1945.



## 1946

Tide, “the washing miracle,” is introduced. Tide incorporates a new formula that cleans better than anything currently on the market. Its superior performance at a reasonable price makes Tide the country’s leading laundry product by 1950.

P&G begins operating in Mexico – our first subsidiary in Latin America.



## 1947 — 1952

P&G’s detergent technology leads to the development of a wide range of products such as granulated and liquid detergents, shampoos, toothpastes and household cleaning products that provide growth opportunities in the 1950s and beyond.

## 1950

The first subsidiary on the South American continent is established in Venezuela.

## 1952

A new research facility, Miami Valley Laboratories, opens in Cincinnati. MVL is the Company’s first facility dedicated solely to upstream research.

## 1948

Neil H. McElroy assumes leadership of P&G.



Neil H. McElroy

P&G establishes an Overseas Division to manage the Company’s growing international business.

## P&G Company History Timeline 1945 — 1980



## 1954

The Company begins operations in continental Europe by leasing a small plant in Marseilles, France, from the Fournier-Ferrier Company, a detergent manufacturer.

P&G announces plans to form individual operating divisions to better manage its growing lines of products. This divisionalization also creates separate line and staff organizations.



## 1960

Crest sales skyrocket when The American Dental Association recognizes the toothpaste as “an effective decay-preventive dentifrice.”

## 1955

Crest, the first toothpaste with fluoride clinically proven to fight cavities, is introduced.



## 1956

The new General Office building opens, signifying P&G’s continuing commitment to downtown Cincinnati.

## 1957

P&G enters the consumer paper products business with the acquisition of Charmin Paper Mills, a regional manufacturer of toilet tissue, towels and napkins.

Howard J. Morgens takes over Company leadership when Neil McElroy leaves to serve as the U.S. Secretary of Defense.



Howard J. Morgens



P&G GmbH opens its first office in Frankfurt, Germany, with 15 employees. Three years later, Germany’s first plant in Worms begins production of Fairy cleaning powder and Dash laundry detergent.



The Company introduces liquid Downy, the Company’s first fabric softener.



1961

Although Pampers' first test market in Peoria, Illinois, is unsuccessful, it leads to an improved Pampers product at a lower cost that eventually replaces cloth diapers as the preferred way to diaper babies.



1963

P&G enters the coffee business with the acquisition of Folger's Coffee.



The European Technical Center opens in Brussels to serve Common Market subsidiaries.

1965

The first paper plant built by P&G opens in Mehoopany, Pennsylvania.

1967

Ariel is introduced and later becomes one of P&G's leading global laundry brands.



Braun, established in 1921, is acquired by Gillette, bringing electric shaving and small electrical appliance businesses to Gillette.



1968

Pringle's, with its unique stackable shape and resealable can, is introduced into test market.

1972

Bounce combines softening agents with a nonwoven sheet to soften clothes in the dryer. It quickly becomes the second largest selling fabric softener after Downy.



1973

The Company begins manufacturing and selling P&G products in Japan through the acquisition of The Nippon Sunhome Company. The new company is called Procter & Gamble Sunhome Co. Ltd.



1974

Ed Harness is elected to head the Company.



Ed Harness

1978

Didronel is introduced. A treatment for Paget's disease, it is one of the Company's first pharmaceutical products.

1980 — 1999

**A Global Company** As it approached its 150th anniversary in 1987, P&G was poised for the most dramatic period of growth in its history. The Company that began as a small Midwestern partnership had grown into one of America's largest multinational corporations. Two important changes marked this dynamic period. First, the Company emerged as an important new player in health care (through the acquisitions of Norwich Eaton Pharmaceuticals and Richardson-Vicks and the opening of the Health Care Research Center in Cincinnati) and in cosmetics and fragrances (with the acquisitions of Noxell, Max Factor, Ellen Betrix and Giorgio of Beverly Hills).

Second, P&G expanded its globalization plans. The Company established a worldwide research and development network, with research hubs in the United States, Europe, Japan and Latin America, and built a solid foundation of truly global brands. These brands include Pantene Pro-V, Always/Whisper, Ariel and Tide, Crest, Pampers, Vicks and Oil of Olay.

1980

Sales reach \$10 billion.

1981

John G. Smale becomes head of Procter & Gamble.



John Smale

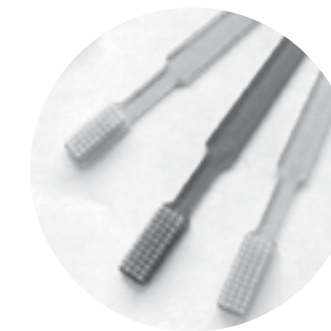
1982

P&G increases its prescription and over-the-counter health care business with the acquisition of Norwich Eaton Pharmaceuticals.



1983

The Company introduces a superior feminine protection product, Always/Whisper, which becomes the leading world brand in its category by 1985.



1984

Gillette acquires Oral B, founded in 1950.



Liquid Tide is introduced. This represents the results of global research with surfactants developed in Japan, fragrance in Europe and packaging from the United States.

1985

The Company significantly expands its over-the-counter and personal health care business worldwide with the acquisition of Richardson-Vicks, owners of Vicks respiratory care and Oil of Olay product lines.

P&G opens the General Offices Tower building, the expansion of Procter & Gamble's world headquarters in Cincinnati, Ohio.



1986

Ultra Pampers and Luvs Super Baby Pants are introduced – with effective, new technology that makes diapers thinner.

P&G creates the industry's first multi-functional customer teams.



The Company develops a new technology that enables consumers to wash and condition their hair using only one product. Pert Plus/Rejoice shampoo quickly becomes one of the leading worldwide shampoo brands.

1987

P&G celebrates its 150th anniversary.



The Company increases its presence in the European personal care category, with the acquisition of the Blendax line of products, including Blend-a-med and Blendax toothpastes.

P&G announces several major organization changes with the creation of category management and a product supply system which integrates purchasing, manufacturing, engineering and distribution.

1988

The Company announces a joint venture to manufacture products in China. This is the Company's first operation in the largest consumer market in the world.



Refill packs are introduced in Germany for liquid products like Lenor fabric softener. Germany's retail grocers name Lenor's refill pouch the invention of the year.



1989

The Company enters the cosmetics and fragrances category with the acquisition of Noxell and its Cover Girl and Noxzema products.



P&G Company History Timeline 1980 — 1999



1990

Edwin L. Artzt is named to lead the Company.



Edwin L. Artzt

The Company expands its presence in the male personal care market with the acquisition of Shulton's Old Spice product line.



Most of the laundry detergent brands are reformulated to incorporate P&G's compact technology. Introduced in Japan with the Cheer and Ariel brands, the technology is expanded to 36 brands in 20 different countries during the year.

1991

The acquisitions of Max Factor and Betrix increase the Company's worldwide presence in the cosmetics and fragrances category.



P&G opens its first operation in Eastern Europe with the acquisition of Rakona in Czechoslovakia. New businesses in other Eastern European countries – Hungary, Poland and Russia – follow throughout the year.

1992

P&G receives the World Environment Center Gold Medal for International Corporate Environmental Achievement.



Pantene Pro-V is introduced. Originally a small part of the 1985 Richardson-Vicks acquisition, Pantene becomes the fastest growing shampoo in the world.

1993

Company sales exceed \$30 billion. For the first time in Company history, more than 50% of sales come from outside the U.S.

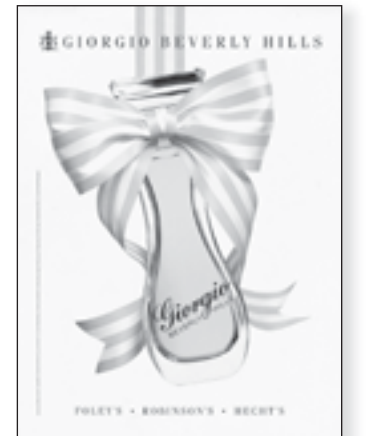


The Japan Headquarters and Technical Center opens on Rokko Island in Kobe City, Japan. The complex consolidates headquarters and product development operations.

1994

P&G enters the European tissue and towel market with the acquisition of the German-based company, VP Schickedanz.

P&G adds Giorgio Beverly Hills to its fine fragrance business. Other fragrances include Red and Wings.



The Company re-enters the South African market following the lifting of U.S. sanctions against investment in South Africa. P&G South Africa doubles its overall business during its first year.

The United States Department of Labor presents P&G the Opportunity 2000 Award, which is given annually to one company committed to instituting equal employment opportunities and creating a diverse work force. P&G is recognized for its multifaceted, comprehensive affirmative action and executive development programs.

The P&G Sales function is renamed Customer Business Development, reflecting both the multi-functional nature of the structure as well as the desire to partner more closely with retailers for mutual growth.



1995

John E. Pepper becomes P&G's ninth Chairman and Chief Executive, and Durk I. Jager becomes President and Chief Operating Officer.



John E. Pepper and Durk I. Jager



P&G opens its Health Care Research Center in Cincinnati to serve as the worldwide hub for the Company's health care business. The Health Care Research Center is designed to promote innovation and efficiency in bringing new health care products to market faster.



P&G is awarded the National Medal of Technology – the highest award the United States bestows for achievement in technology – for creating, developing and applying advanced technologies to consumer products that have helped improve the quality of life for billions of consumers worldwide.

1996

The U.S. Food and Drug Administration grants approval of Olestra for use in salty snacks and crackers. Olestra, marketed under the brand name Olean, is a calorie-free fat replacer that provides the full taste of fat without the added fat calories.

The Company continues to expand its global reach with acquisitions of the U.S. baby wipes brand Baby Fresh – complementing the Company's global diaper business and its strong European Pampers Baby Wipes business.



1996

Gillette acquires Duracell, originally founded in the early 1920s.

1997

The Company expands its feminine protection expertise into a new global market with the acquisition of Tambrands. Tampax Tampon is the market leader worldwide.



1998

P&G announces Organization 2005, a new global organizational design to drive innovative ideas to world markets faster.

Mach 3 razor is introduced.



P&G provides a foundation for future growth by investing in new breakthrough products. Febreze, Dryel and Swiffer are introduced and sold around the world in less than 18 months.

1999

Durk Jager becomes Chairman of the Board and Chief Executive.



The Company enters the global pet health and nutrition business by acquiring the Iams Company, a leader in premium pet foods.

The acquisition of Recovery Engineering, Inc. allows P&G to utilize its understanding of water treatment by developing home water filtration systems under the PUR brand name.

P&G Company History Timeline 2000 — Today



2000-Today

In the spring and summer of 2000, P&G experienced one of the most demanding challenges in its history. After missing earnings commitments, the Company's stock declined dramatically, resulting in a loss of nearly \$50 billion in market capitalization.

A.G. Lafley, who became CEO in June 2000, reaffirmed P&G's Purpose and Values and refocused the Company on the few choices necessary to get the business back on track: growing its leading categories and brands with its largest retail customers in its top geographic markets while accelerating growth in health, beauty and personal care and in fast-growing developing markets. In the five years that followed, P&G increased sales more than 40%, doubled profits, generated more than \$30 billion in free cash flow, and delivered more than \$70 billion in shareholder value.

In 2005, P&G merged with The Gillette Company – following the acquisitions of Clairol and Wella earlier in the decade. With a portfolio of 22 billion-dollar brands and a market capitalization of nearly \$200 billion, P&G established itself as one of the ten most valuable companies in the world by respecting the consumer as boss and fulfilling its Purpose: touching lives and improving life every day.



A.G. Lafley

2000

A.G. Lafley becomes President and Chief Executive.

Reflect.com, P&G's initial Internet brand, is launched. It is the first to offer truly customized beauty care products online.



The U.S. FDA (Food and Drug Administration) approves Actonel (risedronate sodium tablets) for the treatment and prevention of postmenopausal osteoporosis (PMO) and glucocorticoid-induced osteoporosis (GIO). Marketing capacity was increased by partnering with Aventis.

2001

Crest WhiteStrips launches in the U.S.



P&G acquires the Clairol business from Bristol-Myers Squibb Co. Clairol is a world leader in hair color and hair care products.



The Geneva Business Center co-locates employees responsible for regional management of global business units for Europe, the Middle East and Africa.



2002

A.G. Lafley is elected Chairman of the Board. Bruce Byrnes and R. Kerry Clark are elected Vice-Chairman of the Board.



ThermaCare air-activated HeatWraps are introduced.

2003

FDA approves switching Prilosec, a treatment for frequent heartburn, from a prescription to an over-the-counter (OTC) product.



P&G acquires a controlling interest in Wella AG, a leading hair care company founded in 1886, giving P&G a major presence in the fast growing professional hair care segment.



2004

P&G's Children's Safe Drinking Water Program wins the World Business Award from the United Nations Development Program & International Chamber of Commerce in support of the UN's Millenium Development goals.

Actonel becomes a billion dollar brand, and P&G's first pharmaceutical brand to reach this important milestone.



2005

P&G and Gillette merge into one company and add five more billion dollar brands to our product portfolio, including Gillette and Braun's shaving and grooming products, the Oral-B dental care line and Duracell batteries.



# About Procter & Gamble

Three billion times a day, P&G brands touch the lives of people around the world. The company has one of the strongest portfolios of trusted, quality, leadership brands, including Pampers, Tide, Ariel, Always, Whisper, Pantene, Folgers, Charmin, Downy, Lenor, Iams, Crest, Oral-B, Actonel, Duracell, Olay, Head & Shoulders, Wella, Gillette, and Braun. The P&G community consists of almost 140,000 employees working in over 80 countries worldwide. Please visit <http://www.pg.com> for the latest news and in-depth information about P&G and its brands.



For further information, contact the P&G Corporate Archives, at (513) 983-1858 or email us at [archives.im@pg.com](mailto:archives.im@pg.com).

