

Procter & Gamble Russia – Key Facts

P&G in Russia

Operating in Russia since 1991, P&G Russia is now one of the fastest developing subsidiaries of the Procter & Gamble Company. It has in Russia a solid portfolio of over 70 brands, the key of them are Ariel, Tide, Fairy, Blend-a-med, Pampers, Always, Pantene, Head & Shoulders, Wella and possesses leading market shares in 3/4 of the categories where it operates, esp. detergents, shampoos and diapers.

Major Local Manufacturer

Ca. 50% of all P&G products sold in the Russian consumer market are already manufactured locally. Since 1993 P&G owns the OOO "Procter & Gamble - Novomoskovsk" plant in Tula region and now turned it into the most significant detergent manufacturer in CIS. Today overall investment of P&G in Novomoskovsk is close to \$250 millions. The new production lines are installed in the plant for Ariel, Tide, Myth and Tix detergents, Comet and Mr. Proper cleansers, Ace bleach, Fairy dishwashing liquid and Lenor fabric conditioner. New production line for Pampers Sleep & Play diaper manufacturing has been opened in September, 2005.

Another plant producing hair care products, Capella, in Nizhny Novgorod region has arrived with the Wella acquisition. As a result of integration of P&G and Gillette companies the third production site has moved into P&G family. It is "Peterburg Products International" that produces disposable razors and blades.

Important Local Employer

P&G directly employs in Russia more than 2300 people. There are around 1000 workers at Novomoskovsk plant. Local employees including managers in very senior roles run the majority of the business. In addition, P&G operations trigger jobs for more than 14000 people at P&G's business partners in Russia. For example, regional companies engaged in P&G products distribution employ over 10000 people.

Major Exporter

Ca.25% of OOO "Procter & Gamble - Novomoskovsk" output is exported to neighboring countries. OOO "Capella" and ZAO "Peterburg Products International" also make products for export including Europe.

Important Taxpayer

Since the start of its activities in Russia, P&G contributed more than \$1,2 billion US dollars in taxes and duties to federal, local and regional budgets.

New Big Initiatives in Russia

P&G successfully entered the mid-tier sector where it was not operating previously: it launched in Russia new Shamtu shampoo, Blendax toothpaste, Always Classic, Discreet and Naturella feminine protection products. With the introduction of Tix detergent P&G is now present in the low tier as well. P&G successfully started local manufacturing of diapers and launched Pampers Sleep & Play.

Good Corporate Citizen

Over \$ 6 million of charitable contributions were made by P&G over the last years. In particular,

- In 1996-2000 P&G contributed \$ 3 million for the reconstruction and equipment of infection diseases ward and bought X-ray equipment for Novomoskovsk hospitals.
- In 2001 the company donated \$430,000 to repair and develop the water supply systems in Novomoskovsk.
- In 2002 P&G started a new social program to support the healthy lifestyle among Russian children and youth named "P&G for Healthy Life Style – P&G за здоровый образ жизни". The program's aim is to help youth to organize their free time by granting access to sport facilities.
- In 2003-05 P&G sponsored the construction of a new sport center in Novomoskovsk worth \$600.000.
- In 2004-05 P&G invested \$300,000 in development of a health center "Healthy Generation" in Novomoskovsk. Also P&G gave money to construct a roller skates track for a sport school "Threathlon" in Dzerzhinsk, Nizhny Novgorod region.
- In 2006 P&G funded a purchase of pulmonary ventilation equipment for Dzerzhinsk maternity hospital.
- In 2006 brands Ariel, Tide, Myth, Tix, Lenor, Ace, Comet, Mr. Proper organized a national charity campaign "Hearty Help" aiming to help children with heart diseases. Overall in 2005-06 P&G contributed over \$660,000 dollars for social projects in Tula and Nizhny Novgorod regions and in Moscow city addressed to children in need.