

Edgar Filing: PROCTER & GAMBLE CO - Form 425

PROCTER & GAMBLE CO
Form 425
February 21, 2002

Filed by The J. M. Smucker Company
Commission File No. 333-73830
Subject Company: The Procter & Gamble Company
Pursuant to Rule 425 under the Securities Act of 1933

This document is being filed pursuant to Rule 425 under the Securities Act of 1933 and is deemed filed pursuant to Rule 14a-12 under the Securities Exchange Act of 1934.

[SMUCKER'S LOGO]

[SMUCKER'S LOGO]

[JIF LOGO]

THE J. M. SMUCKER COMPANY
FORWARD LOOKING INFORMATION

THIS PRESENTATION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY. THESE INCLUDE STATEMENTS REGARDING ESTIMATES OF FUTURE EARNINGS AND CASH FLOWS AND EXPECTATIONS AS TO THE CLOSING OF THE TRANSACTION. OTHER UNCERTAINTIES INCLUDE, BUT ARE NOT LIMITED TO, GENERAL ECONOMIC CONDITIONS WITHIN THE U.S., STRENGTH OF COMMODITY MARKETS FROM WHICH RAW MATERIALS ARE PROCURED AND THE RELATED IMPACT ON COSTS, ABILITY TO OBTAIN REGULATORY AND SHAREHOLDERS' APPROVAL, INCLUDING WITHOUT LIMITATION A PRIVATE LETTER RULING FROM THE INTERNAL REVENUE SERVICE, INTEGRATION OF THE ACQUIRED BUSINESSES IN A TIMELY AND COST EFFECTIVE MANNER, AND OTHER FACTORS AFFECTING SHARE PRICES AND CAPITAL MARKETS GENERALLY. OTHER RISKS AND UNCERTAINTIES THAT MAY MATERIALLY AFFECT THE COMPANY ARE DETAILED FROM TIME TO TIME IN REPORTS FILED BY THE COMPANY WITH THE SECURITIES AND EXCHANGE COMMISSION, INCLUDING FORMS 10-Q AND 10-K.

[CRISCO LOGO]

[SMUCKER'S LOGO]

2

[SMUCKER'S LOGO]

[JIF LOGO]

DISCLOSURE

THE COMPANY HAS FILED A PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS CONCERNING THE PROPOSED MERGER OF THE JIF AND CRISCO BUSINESSES WITH AND INTO THE COMPANY WITH THE SEC. INVESTORS ARE URGED TO READ THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BECAUSE THEY CONTAIN IMPORTANT INFORMATION ON THE PROPOSED MERGER. INVESTORS ARE ABLE TO OBTAIN THE DOCUMENTS FREE OF CHARGE AT THE SEC'S WEB SITE (WWW.SEC.GOV). IN ADDITION, DOCUMENTS FILED WITH THE SEC BY THE COMPANY WITH RESPECT TO THE PROPOSED TRANSACTION MAY BE OBTAINED FREE OF CHARGE BY CONTACTING THE J. M.

Edgar Filing: PROCTER & GAMBLE CO - Form 425

SMUCKER COMPANY, STRAWBERRY LANE, ORRVILLE, OHIO, 44667, ATTENTION: INVESTOR RELATIONS OR BY TELEPHONE AT (330) 682-3000. THE COMPANY AND ITS DIRECTORS AND EXECUTIVE OFFICERS MAY BE DEEMED TO BE PARTICIPANTS IN THE SOLICITATION OF PROXIES FROM THE COMPANY'S SHAREHOLDERS. A LIST OF THE RESUMES OF THOSE DIRECTORS AND EXECUTIVE OFFICERS AND DESCRIPTIONS OF THEIR INTEREST IN THE COMPANY IS CONTAINED IN THE COMPANY'S PROXY STATEMENT DATED JULY 10, 2001, WHICH IS FILED WITH THE SEC. THE COMPANY'S SHAREHOLDERS MAY OBTAIN ADDITIONAL INFORMATION ABOUT THE INTERESTS OF DIRECTORS AND EXECUTIVE OFFICERS IN THE PROPOSED MERGER BY READING THE PROXY STATEMENT PROSPECTUS. INVESTORS SHOULD READ THE PROXY STATEMENT/PROSPECTUS CAREFULLY BEFORE MAKING ANY VOTING OR INVESTMENT DECISION.

[CRISCO LOGO]

[SMUCKER'S LOGO]

3

THE J.M. SMUCKER COMPANY

[JIF, SMUCKER'S, AND CRISCO PHOTO]

[SMUCKER'S LOGO]

[JIF LOGO]

THE "NEW" J. M. SMUCKER COMPANY

[JIF LOGO]

[SMUCKER'S LOGO]

[CRISCO LOGO]

- Three #1 American Icon Food Brands
- Highly Accretive Transaction
- Strong Cash Flow and Balance Sheet
- Platform for Future Growth

[CRISCO LOGO]

[SMUCKER'S LOGO]

5

[SMUCKER'S LOGO]

[JIF LOGO]

SMUCKER'S, JIF AND CRISCO

-- A POWERFUL COMBINATION --

- #1 American icon brands
- Strategic fit
 - Complements broker network
 - Similar customers and consumers
- #1 market position
- Profitable, "center of store"

Edgar Filing: PROCTER & GAMBLE CO - Form 425

[CRISCO LOGO]

[SMUCKER'S LOGO]

6

[SMUCKER'S LOGO]

[JIF LOGO]

[JIF, SMUCKER'S, AND CRISCO PICTURE]

[CRISCO LOGO]

[SMUCKER'S LOGO]

[SMUCKER'S LOGO]

[JIF LOGO]

[SMUCKER'S PICTURE]

[SMUCKER'S PICTURE]

[SMUCKER'S PICTURE]

[R.W. KNUDSEN PICTURE]

[CRISCO LOGO]

[SMUCKER'S LOGO]

8

[SMUCKER'S LOGO]

[JIF LOGO]

SMUCKER
BRAND LEADERSHIP

[BAR GRAPH]

	Size of Category -----	% Dollar Share of Category -----
FRUIT SPREADS	\$747 million	
Smucker's Brand		41.0%
Next Brand		11.2%
NATURAL PEANUT BUTTER	\$51 million	
Smucker's Brand		70.6%

Edgar Filing: PROCTER & GAMBLE CO - Form 425

Next Brand		15.1%
ICE CREAM TOPPINGS	\$106 million	
Smucker's Brand		61.5%
Next Brand		23.8%
NATURAL BEVERAGES	\$100 million	
R.W. Knudsen Brand		52.8%
Next Brand		16.7%

Source IRI - 52-week ending December 2001 and SPINS ending November 2001

[CRISCO LOGO]

[SMUCKER'S LOGO]

9

[SMUCKER'S LOGO]

[JIF LOGO]

THE "NEW" SMUCKER
BRAND LEADERSHIP

[BAR GRAPH]

	Size of Category -----	% Dollar Share of Category -----
PEANUT BUTTER	\$860 million	
Jif Brand		33.1%
Next Brand		22.2%
COOKING OILS	\$900 million	
Crisco Brand		24.0%
Next Brand		19.2%
SHORTENING	\$200 million	
Crisco Brand		64.1%
Next Brand		3.5%

Source IRI - 52-week ending May 2001

[CRISCO LOGO]

[SMUCKER'S LOGO]

10

[SMUCKER'S LOGO]

[JIF LOGO]

OPPORTUNITIES FOR GROWTH

Edgar Filing: PROCTER & GAMBLE CO - Form 425

[BAR GRAPH]

	Current Smucker Categories	"New" Smucker Categories
\$ in Billions	\$1.0 Billion	\$3.0 Billion

[CRISCO LOGO]

[SMUCKER'S LOGO]

11

[SMUCKER'S LOGO]

[JIF LOGO]

NET SALES BY PRODUCT
CATEGORY

BEFORE
(SALES: \$650 MILLION)

[PIE CHART]

Fruit Spreads -----	Other -----	Snacks -----	Formulated -----	Beverage -----	Peanut Butter -----	Toppings/Syrups -----
47%	7%	5%	15%	10%	7%	9%

AFTER
(SALES: \$1.3 BILLION)

[PIE CHART]

Fruit Spreads -----	Shortening/Oil -----	Other -----	Snacks -----	Formulated -----	Beverage -----	Peanut Butter -----
26%	26%	4%	2%	6%	5%	27%

[CRISCO LOGO]

[SMUCKER'S LOGO]

12

[SMUCKER'S LOGO]

[JIF LOGO]

Edgar Filing: PROCTER & GAMBLE CO - Form 425

BRANDED RETAIL SALES*

	% OF COMPANY'S U.S. RETAIL S
	#1 BRANDS
Smucker	97%
Kraft	80%
General Mills	70%
Campbell	60%
Quaker Oats	51%
H.J. Heinz	41%
Kellogg	32%
ConAgra	21%

[CRISCO LOGO]

[SMUCKER'S LOGO]

* Lehman Brothers (Smucker Added)

13

[SMUCKER'S LOGO]

[JIF LOGO]

SMUCKER LEADERSHIP GROWTH
25-YEAR HISTORICAL TREND

[BAR GRAPH]

	1977	2002
% SOM	20.0%	41.0%

[CRISCO LOGO]

[SMUCKER'S LOGO]

SOURCE: IRI NIELSEN

14

[SMUCKER'S LOGO]

[JIF LOGO]

ENHANCED SHAREHOLDER VALUE

[CRISCO LOGO]

[SMUCKER'S LOGO]

Edgar Filing: PROCTER & GAMBLE CO - Form 425

[SMUCKER'S LOGO]

[JIF LOGO]

FINANCIAL PERFORMANCE

(\$ in Millions) -----	Actual Standalone FYE 4/30 2001 (1) -----	Estimated Standalone FYE 4/30 2002 -----	Projected Combined FYE 4/30 2003 (2) -----
Revenues	\$ 651	\$ 675	\$1,355
EBITDA	\$ 83	\$ 92	\$ 210 - \$ 225
EBITDA Margin	13%	14%	15% - 17%
Net Income	\$ 33	\$ 32 - \$ 33	\$ 95 - \$ 105
E.P.S.	\$ 1.30	\$ 1.33 - \$1.37	\$ 1.90 - \$ 2.10

(1) Excludes nonrecurring charges and changes in accounting method

(2) Assumes that FY 2003 represents first full year of integration

[CRISCO LOGO]

[SMUCKER'S LOGO]

16

[SMUCKER'S LOGO]

[JIF LOGO]

SMUCKER SHARE PRICE PERFORMANCE

JANUARY 1, 2000 THROUGH DECEMBER 31, 2001

Date	Share Price -----
1/3/2000	\$18.12
2/1/2000	16.72
3/1/2000	14.94
4/3/2000	16.82
5/1/2000	15.12
6/1/2000	17.65
7/3/2000	19.12
8/1/2000	17.81
9/1/2000	19.88
10/2/2000	24.44
11/1/2000	22.38
12/1/2000	24.63
1/2/2001	26.40
2/1/2001	24.95

Class A and Class B Share Combination Announced: \$15.47

Class A and Class B Share Combination Effective: \$18.50

Edgar Filing: PROCTER & GAMBLE CO - Form 425

3/1/2001	25.95	
4/2/2001	25.28	
5/1/2001	25.98	
6/1/2001	25.45	
7/2/2001	25.99	
8/1/2001	27.16	
9/4/2001	28.32	
10/1/2001	25.00	Jif and Crisco Merger Announced: \$35.50
11/1/2001	33.99	
12/3/2001	35.32	

NOTE: SMUCKER'S SHARE PRICE FROM 1/1/00 THROUGH 8/28/00 REPRESENTS A WEIGHTED AVERAGE OF CLASS A AND CLASS B SHARES.

[CRISCO LOGO]

[SMUCKER'S LOGO]

17

[SMUCKER'S LOGO]

[JIF LOGO]

INCREASED SHAREHOLDER VALUE
POTENTIAL FOR HIGHER MULTIPLE

- Small-cap to mid-cap
 - Increased liquidity: 24MM - 49MM shares outstanding
 - Increase in share value
- Greater earnings growth potential
- Strong dividend practice will continue

[CRISCO LOGO]

[SMUCKER'S LOGO]

18

[SMUCKER'S LOGO]

[JIF LOGO]

ENTERPRISE VALUE/EBITDA

[BAR GRAPH]

Wrigley	20.4x
General Mills	18.6x
Tootsie Roll	16.2x
HJ Heinz	15.4x
Tyson Foods	13.7x
Nestle	12.5x
Kellogg	12.5x
Hershey	12.3x

Edgar Filing: PROCTER & GAMBLE CO - Form 425

Kraft	12.0x
Dole Food	11.7x
Campbell	11.2x
Sara Lee	10.9x
Conagra	10.0x
Smucker	8.5x

(1) REPRESENTS PRO FORMA TOTAL VALUE OF \$1.8 BILLION AND PROFORMA EBITDA (AS OF 4/30/02) OF \$210 MILLION.

[CRISCO LOGO]

[SMUCKER'S LOGO]

19

[SMUCKER'S LOGO]

[JIF LOGO]

GROWTH STRATEGY

	AVERAGE ANNUAL GROWTH RATE -----
Market Share	3%
New Products	1%
Acquisitions	4%

Total	8%

[CRISCO LOGO]

[SMUCKER'S LOGO]

20

[SMUCKER'S LOGO]

[JIF LOGO]

[PHOTO OF SMUCKER'S UNCRUSTABLES]

[CRISCO LOGO]

[SMUCKER'S LOGO]

21

Edgar Filing: PROCTER & GAMBLE CO - Form 425

[SMUCKER'S LOGO]

[JIF LOGO]

GROWTH STRATEGY

- Acquisitions
 - Leading brand position
 - North American geographic emphasis
 - Leverage raw material synergies and plant capacity
 - Enabling acquisitions

[CRISCO LOGO]

[SMUCKER'S LOGO]

22

[SMUCKER'S LOGO]

[JIF LOGO]

TOTAL DEBT/EBITDA

[BAR GRAPH]

Tyson Foods	7.3x
General Mills	6.9x
Dole Foods	4.8x
HJ Heinz	4.4x
Kellogg	4.2x
Conagra	3.5x
Sara Lee	3.0x
Campbell	2.9x
Kraft	2.8x
Hershey	1.3x
Nestle	1.3x
Smucker	0.6x
Tootsie Roll	0.1x
Wrigley	0.0x

(1) REPRESENTS PRO FORMA TOTAL DEBT OF \$135 MILLION AND PROFORMA EBITDA (AS OF 4/30/02) OF \$210 MILLION.

[CRISCO LOGO]

[SMUCKER'S LOGO]

23

[SMUCKER'S LOGO]

[JIF LOGO]

SUMMARY

[CRISCO LOGO]

[SMUCKER'S LOGO]

[SMUCKER'S LOGO]

[JIF LOGO]

THE SMUCKER ADVANTAGE

- Proven ability to grow market share
- Leverage broker network
- Category management
- Financial strength and capabilities
- Consistency of top management team/leadership

[CRISCO LOGO]

[SMUCKER'S LOGO]

25

[SMUCKER'S LOGO]

[JIF LOGO]

SMUCKER BASIC BELIEFS

BASIC BELIEFS ARE AN EXPRESSION OF THE COMPANY'S VALUES AND PRINCIPLES THAT GUIDE STRATEGIC BEHAVIOR AND DIRECTION. THE BASIC BELIEFS ARE DEEPLY ROOTED IN THE PHILOSOPHY AND HERITAGE OF THE COMPANY'S FOUNDER, JEROME MONROE SMUCKER.

QUALITY

Quality applies to our products, our manufacturing methods, our marketing efforts, our people, and our relationships with each other.

PEOPLE

We will be fair with our employees and maintain an environment that encourages personal responsibility within the Company and the community.

ETHICS

The same, strong ethical values on which our Company was founded provide the standards by which we conduct our business as well as ourselves.

GROWTH

Along with day-to-day operations, we are also concerned with the potential of our Company and its employees.

Edgar Filing: PROCTER & GAMBLE CO - Form 425

INDEPENDENCE

We have a strong commitment to stewardship of the Smucker name and heritage.

[CRISCO LOGO]

[SMUCKER'S LOGO]

26

[SMUCKER'S LOGO]

[JIF LOGO]

THE "NEW" J. M. SMUCKER COMPANY

[JIF LOGO]

[SMUCKER'S LOGO]

[CRISCO LOGO]

- Three #1 American Icon Food Brands
- Highly Accretive Transaction
- Strong Cash Flow and Balance Sheet
- Platform for Future Growth

[CRISCO LOGO]

[SMUCKER'S LOGO]

27

[SMUCKER'S LOGO]

[JIF LOGO]

[CRISCO LOGO]