FY10 Outlook

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May 1, 2009 Earnings Release

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Q3 FY09 Results		
Sales growth Flat	Gross Margin +550 bps vs. YAGO	GAAP EPS $1.08

FY09 Updated Outlook (1)		
Sales growth + 3% to 4%	Gross Margin +140 to 160 bps vs. YAGO	GAAP EPS $3.70 to $3.80

Initial FY10 Outlook (1)		
Sales growth + 1% to 2%	Gross Margin +50 to 100 bps vs. YAGO	GAAP EPS $4.00 to $4.15

How did the market react?

(1) Both FY09 and FY10 Outlooks are as of May 1, 2009 Earnings Release

Market Reaction

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FY10 Outlook - Key Investor Questions

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- Variability in the quarters – Back half weighted?
- Commodity relief seems conservative – Is there upside?
- 2nd Glad price rollback – Is entire portfolio at risk for broader price rollbacks (due to exposure to private label)?
- Hard conversions – How do I think about this? What's the impact?
- Outlook too conservative – What am I missing?

Outlook Philosophy

- Zero-based approach
- Target annual performance – variability in quarters
- FY10
  - Targets are appropriate under the current environment
  - Feel very good about our ability to deliver our annual targets

FY10 Outlook (as of May 1, 2009)

Sales growth + 1% to 2%	Gross Margin +50 to 100 bps vs. YAGO	GAAP EPS (1) $4.00 to $4.15

- Foreign currency impact -2pts
- Return to volume growth
  - Lap pricing
  - Innovation
  - Lapping acquisitions; Burt's Bees now in base
- Higher levels of trade promotion for innovation, hard conversions, and potential competitive challenges/price gaps
- First half < second half due to:
  - FX dilution
  - High Q1 comparison (YAGO sales growth: +12%)
  - Volume flat/down in 1st half
  - "Hard conversions"

Sales Outlook: Excluding FX, growth is +3% to 4%, within long-term target range

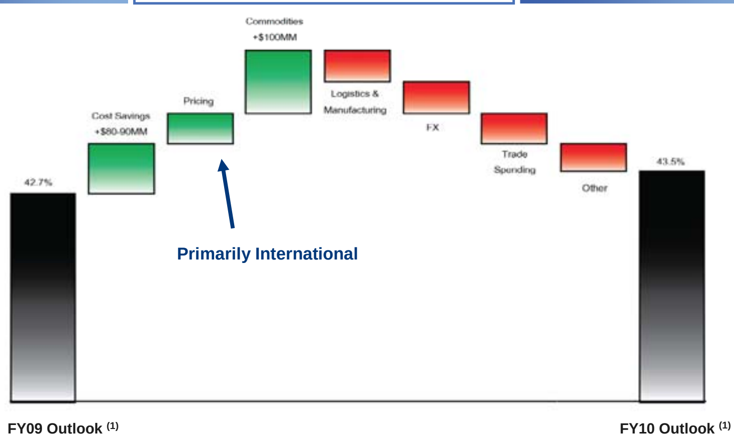
(1) Outlook as of May 1, 2009 Earnings Release

Impact of Hard Conversions

- Two planned for Q2, and one in second half
- De-stock the trade (reduce sales) in Q2, but re-stock the trade in second half
- Impact dependent on speed of sell-through but manageable within a fiscal year
  - Hard conversions will grow sales in full fiscal year
- Each provides significant NPV

FY10 Outlook (as of May 1, 2009)

Sales growth + 1% to 2%	Gross Margin +50 to 100 bps vs. YAGO	GAAP EPS [1] $4.00 to $4.15



(1) FY09 and FY10 Outlooks as of May 1, 2009 Earnings Release   Note: GM mapping table assumes mid-point of our Outlook

Is There Commodities Upside?

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- Possibly, however somewhat mitigated by contracted pricing and hedging
- If commodity costs drop dramatically, then we'll benefit, but also likely face some further price rollbacks by competitors
  - Still would be a net positive for margins

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Why is Pricing Assumption Reasonable?

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- Price rollbacks have only been in one category (trash bags) led by retreat in resin price
  - Resin has risen off recent lows
- Little room for rollbacks, as other categories face stable or rising commodity costs
- Have led growth, driven innovation and invested in demand building in our categories in combination with pricing
- Total value equation supports current pricing

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FY10 Outlook (as of May 1, 2009)

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Sales growth + 1% to 2%	Gross Margin +50 to 100 bps vs. YAGO	GAAP EPS [1] $4.00 to $4.15

- Sales growth
- Gross margin expansion
- Operating model efficiencies
- Higher advertising spend - mid to upper end of range: 9% to 10% of sales
  - Support growth ideas
  - Innovation
- Impacted by unfavorable FX

EPS Outlook[2]: +9% vs. YAGO on top of +16% in FY09

(1) Outlook as of May 1, 2009 Earnings Release (2) EPS Outlook is based upon mid-point of FY09 Outlook ($3.70 to $3.80) and FY10 Outlook ($4.00 to $4.15)

FY10: 1st Half vs. 2nd Half Projections

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	1st Half	2nd Half
Sales	Flat to slightly declining – High YAGO sales – "Hard conversions" in Q2 – High FX impact	Higher – Easing pressure on consumer – Full benefit of innovation – Less FX impact
Margins	Up strongly	Return to more "normalized" growth
EPS	Modest increase	Strong increase

Summing up FY10 Outlook

- ✓ Return to volume growth
- ✓ Sales growth
- ✓ Solid margin expansion
- ✓ Increase in advertising as a % of sales
- ✓ Solid earnings growth in mid to upper single digits range
- ✓ Higher cash flow
- ✓ Strong dividend yield

. . . and we're staying on Strategy