

BY EMAIL AND FEDERAL EXPRESS

December 23, 2016

Deborah P. Majoras
Chief Legal Officer
The Procter & Gamble Company
1 P&G Plaza
Cincinnati, Ohio 45202

Re: *Welcome Back Campaign*

Dear Ms. Majoras,

I am writing on behalf of Harry's, Inc. to express our gratitude for the publicity that Gillette is generating for us through its *Welcome Back* ad campaign. Gillette's ad campaign further validates the significant impact Harry's is having on the shaving and men's grooming industries.

Although we appreciate the spirit behind the *Welcome Back* campaign, we thought we should point out a typo in the ad's central claim that "most guys leave Harry's after trying it."¹ Fortunately, correcting the claim would require only the following minor edit:

"Most guys ~~leave~~ stay with Harry's after trying it."

One advantage of being an e-commerce company is that we maintain direct relationships with our customers and, therefore, have the real data underlying their retention rates. Thankfully — at least for us at Harry's — it is not true that most guys leave Harry's after the first try.

In fact, 60.5% of first-time customers during the Nov. 2013–Oct. 2014 period that Gillette cited in the ad's fine print re-ordered from Harry's within the 24-month period referred to in the ad. The retention rates are even higher if one looks at a more recent and less misleading period, which is not surprising given the continuous improvements we make to our product offering, informed by the great feedback we receive directly from our customers. For example, 67.0% of first-time customers during 2016 have re-ordered and, of the more than 375,000 customers who have tried Harry's for free during the May 2016–Oct. 2016 period,² 81.1% have already purchased additional products.

¹ As explained by P&G's Vice President of Investor Relations to analysts touting the new ad campaign, the precise claim is that most guys leave Harry's after the first try. This claim was apparently repeated in a recent article in the *Wall Street Journal*, which reported that "P&G said its data that 'most guys' quit Harry's after the first try comes from market research firm Slice Intelligence."

² This period roughly coincides with the launch of our next generation razor.

We assume that the false claim in Gillette's ad is an innocent mistake and that Gillette would not intentionally mislead consumers. We are happy for Gillette to continue to run the ad campaign with the corrected statement that most guys "stay with" Harry's. We have no pride of authorship – "re-order from," "stick with," "abandon their old razor after trying" and "swear by" would all work equally well. Any of these revisions would be consistent with the values that P&G has articulated on its website, which include operating within the letter and spirit of the law and being data-based and intellectually honest.

Please do not take this letter as a threat of litigation. Our practice at Harry's is to compete on the merits and not by filing lawsuits, and we know that you will do the right thing now that the mistake has been called to your attention.³

We wish you and the Gillette team a joyful holiday season, and we look forward to a new year of friendly and fair competition.

Sincerely,



Jack Sarno
General Counsel

P.S. I am enclosing a Harry's "Everything But the Bathroom Sink" limited-edition holiday set as a token of our appreciation for the publicity from the *Welcome Back* campaign. Although the sets are sold out, I was able to score one from the personal stash of one of our founders. In the interest of my job security, please do not tell him.

³ By the way, the *Welcome Back* campaign refers consumers to *retailer.com* for alleged substantiation for one of Gillette's claims regarding Harry's products. Unfortunately, none of us at Harry's could access the site, apparently because the site is classified as malware by Cisco's OpenDNS services. Gillette might want to look into this.