



CHURCH & DWIGHT CO., INC.  
2002 ANNUAL REPORT



A SUCCESSFUL INTEGRATION:

TALENTED PEOPLE  
SUPERIOR PRODUCTS

## FINANCIAL HIGHLIGHTS

Dollars in millions, except per share data	2002	2001	CHANGE
SALES	<b>\$1,047.1</b>	\$959.7	+9%
INCOME FROM OPERATIONS	<b>104.5</b>	93.5	+12%
NET INCOME	<b>66.7</b>	47.0	+42%
NET INCOME PER SHARE - DILUTED	<b>1.60</b>	1.15	+39%
DIVIDENDS PER SHARE	<b>0.30</b>	0.29	+3%
Additional Information			
ADJUSTED NET INCOME PER SHARE - DILUTED <sup>(1) (2)</sup>	<b>1.61</b>	1.38	+17%

<sup>(1)</sup>Excludes, in 2002, a net charge of \$0.01 per share related to the valuation of Armkel's opening inventories and the allocation of profits under the Armkel joint venture agreement.

Excludes, in 2001, a \$0.02 per share plant shutdown charge, a \$0.06 per share intangibles amortization charge that was discontinued in 2002 with the adoption of accounting standard FAS No. 142, and a \$0.15 per share accounting charge related to the step-up of Armkel's opening inventories.

<sup>(2)</sup>These are non-GAAP (Generally Accepted Accounting Principles) measures of performance which may not be comparable to similar measures of performance used by other companies.

For additional information, see Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's 2003 Proxy Statement.



Cover Caption: Talented People and Superior Products

Our major accomplishment in 2002 was the successful integration of the USA Detergents and Carter-Wallace consumer products operations, further strengthening Church & Dwight and affiliates as a dynamic consumer packaged goods and specialty chemicals business.

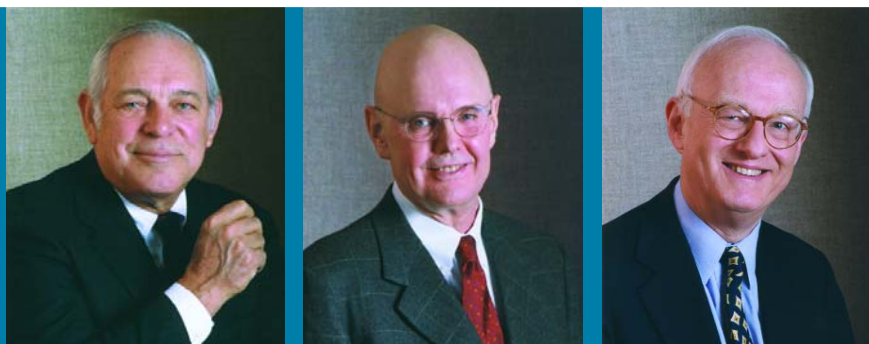
Church & Dwight Co., Inc., founded in 1846, is the world's leading producer of sodium bicarbonate, popularly known as baking soda, a natural product which cleans, deodorizes, leavens and buffers. The Company's ARM & HAMMER brand is one of the nation's most trusted trademarks for a broad range of consumer and specialty products developed from the base of bicarbonate and related technologies.

Church & Dwight Consumer Products now encompass four categories: Deodorizing and Household Cleaning, Laundry, Personal Care and International. Over half of the domestic products are sold under the ARM & HAMMER brand name and derivative trademarks, including ARM & HAMMER DENTAL CARE Toothpaste, ARM & HAMMER Liquid Laundry Detergent and ARM & HAMMER SUPER SCOOP Clumping Cat Litter.

New in 2001 were the laundry brands XTRA and NICE'N FLUFFY, part of the acquisition of USA Detergents, Inc. Later that year, Church & Dwight also acquired the consumer products business of Carter-Wallace, Inc., purchasing outright the ARRID Antiperspirant and the LAMBERT KAY Pet Care businesses. Armkel, LLC, Church & Dwight's 50/50 joint venture with the private equity group, Kelso & Company, acquired the remainder of the Carter-Wallace consumer products businesses, including such brands as TROJAN Condoms, NAIR Depilatories and FIRST RESPONSE Home Pregnancy and Ovulation Test Kits. Combining these products with the Company's existing product lines makes Church & Dwight one of the leading consumer packaged goods companies in the United States.

Church & Dwight's Specialty Products segment, a leader in specialty inorganic chemicals and animal nutrition, is organized into three categories: Specialty Chemicals, Animal Nutrition and Specialty Cleaners.

[A chart of all major Church & Dwight and Armkel products appears on pages 8 and 9 of this Report.](#)



From left to right:

**DWIGHT C. MINTON** Chairman Emeritus

**ROBERT A. DAVIES, III** Chairman, Chief Executive Officer

**ZVI EIREF** Vice President Finance, Chief Financial Officer

## DEAR FELLOW STOCKHOLDER:

We are pleased to report that 2002 was another positive year for the Company as we achieved solid sales and earnings growth, while completing the integration of the USA Detergents and Carter-Wallace consumer products businesses acquired in 2001.

- Church & Dwight sales increased 9% to \$1,047 million. On a combined basis, including Armkel and other unconsolidated affiliates, sales grew 36% to \$1,470 million, primarily due to the Carter-Wallace acquisition.

Although our primary focus for the year was on the integration of the acquired businesses, we were also able to grow the base Church & Dwight business. Excluding acquisitions and some minor disposals, sales of existing products grew about 2%, led by gains in laundry, deodorizers and cleaners, and specialty products, partially offset by lower personal care sales.

- Church & Dwight net income increased \$0.45 per share, or 39%, to \$1.60 per share from \$1.15 per share in the previous year.

There was a minor acquisition-related charge in 2002, along with significant acquisition-related and other accounting charges in the previous year. Adjusting for the charges in both years, as shown in the Financial Highlights on the inside front cover of this Report, net income increased \$0.23 per share, or 17%, to \$1.61 per share from \$1.38 per share a year earlier.

- Our 50%-owned affiliate Armkel, which was formed in September 2001 to acquire most of the Carter-Wallace brands, performed well in its first full year of operations. Net income was \$31.2 million on sales of \$383.8 million. Excluding an acquisition-related charge, net income would have been \$39.3 million, close to our objective for the year.
- The combination of higher net income and reduced working capital resulted in strong cash flow for the year. As a result, we were able to reduce the Company's net debt position by approximately 20% to \$292 million at year-end, compared to \$366 million at the previous year-end.

## INTEGRATION BENEFITS

The acquisition in 2001 of USA Detergents and, together with Armkel, the consumer products business of Carter-Wallace, doubled the sales of Church & Dwight and its affiliates, and created a well-balanced \$1.5 billion portfolio of household and personal care brands, as well as a related specialty chemicals business.

Due to the size and complexity of these acquisitions, our main efforts in 2002 were devoted to completing the integration of these businesses with Church & Dwight, culminating a two-year process. The integration of USA Detergents began with the consolidation of sales organizations late in 2000, continued through the integration of manufacturing and distribution operations and systems in the second quarter of 2001, and concluded with the standardization of formulations and packaging in the second quarter of 2002. The integration of Carter-Wallace began with the consolidation of sales organizations late in 2001, continued through the integration of manufacturing and distribution in the second quarter of 2002, and was virtually completed with the shutdown of the former Carter-Wallace facility at Cranbury, N.J., in the third quarter of 2002.

With the completion of the integration process, we have achieved significant efficiency gains in most areas of our business. The most important of these is a 20% improvement in overall productivity, with sales in our U.S. business rising from an estimated \$370,000 per employee for the three separate businesses in 2000, to about \$450,000 per employee for the combined business in late 2002. The integration also led to a significant reduction in distribution costs and in selling, general and administrative expenses. As a result, in the second half of 2002, the Company was able to increase its earnings while significantly raising its investment in marketing and new product development.

In addition to the cost benefits already achieved, the successful integration of the two acquired businesses transforms Church & Dwight strategically, in several important ways:

- The addition of the Carter-Wallace and USA Detergents brands to Church & Dwight's existing portfolio produces a combined brand portfolio with market-leading positions in several major categories, considerably strengthening our relationship with both consumers and the retail trade:

	CATEGORY	POSITION
	Baking Soda	#1
	Carpet Deodorizers	#1
	Condoms*	#1
	Depilatories*	#1
	Specialty Bathroom Cleaners	#2
	Steel Wool Pads	#2
	Home Pregnancy & Ovulation Test Kits*	#2
	Clumping Cat Litter	#3
	Laundry Detergents & Softeners	#3
	Toothpaste	#4
	Personal Deodorants & Antiperspirants	#5

Source: IRI FDTKS excluding Wal-Mart: 52 weeks ending 12/22/02

\* Armkel Product



- For the first time in the Company's history, we have a significant foothold in several international markets through Armkel, with approximately \$200 million in consumer products sales, primarily of personal care products in Canada, the United Kingdom, France, Spain, Mexico and Australia. This is in addition to our two well-established specialty chemicals businesses in the United Kingdom and Brazil.
- In addition to the efficiencies already achieved, we have a series of cost reduction opportunities ahead of us, some of which stem from the Company's increased scale, others from new systems we plan to install in the next two or three years. These include new supply arrangements, improved warehousing and trade promotion management systems, and the sharing of best practices between manufacturing plants.
- We expect these additional cost reduction opportunities, as well as reduced financing costs due to debt reduction, to provide us with the financial flexibility to continue to invest in growth for the next several years. Another potential source of strength relates to the 50% interest in Armkel owned by our partners, Kelso & Company. We have the option, but not the obligation, to purchase this interest beginning in October 2004. No decision on the exercise of this option has yet been taken. If we exercise this option, the acquisition of Kelso's interest is currently expected to be accretive to earnings.

## GROWTH STRATEGIES

Church & Dwight has shown a consistent ability to outgrow the consumer packaged goods industry over a period of many years. For the seven-year period since 1995, for example, Church & Dwight sales have grown an average of 14% a year, and combined Church & Dwight and affiliate sales have grown an average of 17% a year. Although most of this growth has been the result of acquisitions, the Company has also seen healthy organic growth over the period. Excluding the effect of acquisitions, sales of existing products grew over 5% a year during the period, which we believe to be higher than the average growth rate for the consumer packaged goods business.

As the Company entered new categories, the ARM & HAMMER brand has evolved from a narrow product line thirty years ago into one of the ten leading household products and personal care brands in the U.S. today, with retail sales well in excess of \$500 million a year. With its excellent consumer heritage as a safe, natural and reliable product line, and its broad range of household and personal care applications, we believe the ARM & HAMMER brand is capable of substantial future growth.

We also believe that several of the recently acquired brands have considerable growth potential. The most important of these are TROJAN, an extraordinarily well-recognized and trusted brand among both young males and females; FIRST RESPONSE, a leading feminine hygiene brand; and BRILLO, a well-known household cleaning brand.

Accordingly, we have identified three key growth strategies for building the business over the next few years:

- First, continuation of the long-term ARM & HAMMER growth strategy, with particular emphasis on expanding the brand in the areas of laundry products, pet deodorization and oral care.
- Second, brand building in new categories, with particular emphasis on the TROJAN, FIRST RESPONSE and BRILLO brand equities.
- Third, increased penetration of sales channels where the Company is currently under-developed, such as the mass merchandiser and club channels, as well as a moderate expansion of our domestic brands into international markets.

Pursuing the brand-building strategies described above, the Company has recently announced several new product initiatives. Early in 2003, the Company launched ARRID TOTAL Soft Solid and Invisible Solid Antiperspirants targeted primarily at women, and broadened its ARM & HAMMER ULTRAMAX Antiperspirant line by adding a gel primarily targeted at men. To strengthen its toothpaste franchise, the Company introduced ARM & HAMMER COMPLETE CARE, our first entry into the All-in-One segment of the toothpaste market. In the laundry area, the Company launched ARM & HAMMER FRESH'N SOFT Liquid Fabric Softener as a companion product to the existing fabric softener dryer sheets. These products should all reach broad national distribution in the second quarter. Beginning in the second quarter, the Company expects to introduce BRILLO SCRUB'N'TOSS, a disposable cleaning pad, and the Company's first extension to the BRILLO line.

Following the same strategy, and building on the success of recent product introductions such as TROJAN EXTENDED PLEASURE and HER PLEASURE, our Armkel affiliate expects to add a new line extension to the TROJAN Condom line. Armkel has also launched a new upscale line of depilatories and skin care products in the U.S. under the LINEANCE name, to complement the existing NAIR Depilatories line.

To accomplish the channel development objective, the Company has recently formed dedicated sales teams for both the club and the commercial and professional channels. On the international front, the Company strengthened its export operations, entered into new distributor arrangements in several foreign markets, and merged the operations of its Canadian and U.K. businesses with the local Armkel companies.

## FINANCIAL RESOURCES

Both Church & Dwight, and its principal affiliate, Armkel, ended 2002 in a stronger financial position than at the beginning of the year.

Church & Dwight prepaid \$45 million of its term debt during the year. At year-end, the Company had outstanding long-term debt of \$352 million, and cash less short-term debt of

\$60 million, for a net debt position of \$292 million, a reduction of \$74 million from the previous year-end.

Armkel had outstanding long-term debt of \$412 million, and cash less short-term debt of \$24 million, for a net debt position of \$388 million at year-end including discontinued operations. This compares with a net debt position of \$390 million at the previous year-end. During the year, Armkel paid approximately \$45 million in severance, integration and other costs, primarily related to the closing of its Cranbury, N.J., facility and other operations. Early in 2003, Armkel sold its Italian subsidiary and applied the net proceeds of approximately \$22 million to pay down debt.

Our objective in 2003 is to continue reducing the debt levels of both Church & Dwight and Armkel.

## ORGANIZATION AND GOVERNANCE

We welcomed three talented executives to elected officer positions during the year:

Joseph A. Sipia, Jr. joined the Company in February, 2002 as President and Chief Operating Officer of the Specialty Products Division. Mr. Sipia came from the FMC Corporation, where he was most recently responsible for its Alkali Chemical Division, and had previously also held senior commercial and operations positions in FMC's Agricultural Products Group.

Bradley A. Casper was elected in April, 2002 as President of the Company's Personal Care Division and also President of Armkel Domestic. Mr. Casper came from The Procter & Gamble Company, where his last position was Vice President Strategic Planning for the Fabric Care Division. Mr. Casper had previously held a series of general management and marketing positions, both in the U.S. and abroad, primarily in their beauty and personal care businesses.

Andrew B. Steinberg was elected Vice President, General Counsel and Secretary at the September Board meeting. Mr. Steinberg has spent much of his career at American Airlines and related companies, and was most recently General Counsel of Travelocity, an internet-based travel services organization.

At Board level, William R. Becklean, a Director since 1980, retired. We thank him for his many thoughtful contributions to the Company throughout his long service.

At the December Board meeting, we took the important step of electing Professor John O. Whitney as Lead Director. Professor Whitney, who is both a distinguished academic and experienced business executive, has been a valued member of the Board since 1992.



## LONG-TERM OBJECTIVES

Following completion of the integration process, the Company conducted a strategic planning exercise in mid-2002, and established the following objectives relating to sales, margin and EPS growth for the three-year period 2003-2005:

- Sales growth: organic sales growth of 5% or more a year for the combined business of Church & Dwight and affiliates. In addition to the product initiatives already announced, other product initiatives for 2003 and 2004 have already been identified, some of which will likely be announced later in the year. As described earlier, the Company will also focus on further developing its business in certain retail channels, such as mass merchandisers, where it is currently under-represented.
- Margins: gross margin growth of 100-150 basis points a year. In 2003, much of this gain is expected to come from the full-year benefits of the integration steps completed in 2002. Thereafter, as described earlier, the Company has identified additional cost reduction opportunities in the areas of purchasing, manufacturing, distribution and promotion spending, some of which will take two or three years to realize.
- Earnings Per Share: EPS growth of 12.5%-15% per year. We expect to achieve this objective through a combination of sales and margin growth, lower financing costs related to debt reduction, and potentially exercising our option to acquire the remaining 50% interest in Armkel in October 2004.

These are average annual objectives for the period 2003-2005 and not necessarily the objectives for any single year.

With the successful completion of the integration process, and the positive trends in the second half of 2002, we remain confident that these objectives are realistic provided there is no serious disruption to the economy. We also believe that solid progress towards achieving these objectives can be made in the coming year.

Sincerely,



R.A. Davies, III  
Chairman and Chief Executive Officer  
March 3, 2003

**CONSUMER PRODUCTS - DOMESTIC - CHURCH & DWIGHT\***

LAUNDRY PRODUCTS*	DEODORIZING & HOUSEHOLD CLEANING PRODUCTS*
ARM & HAMMER FABRICARE Powder Laundry Detergent ARM & HAMMER Liquid Laundry Detergent XTRA Liquid Laundry Detergent XTRA Powder Laundry Detergent	ARM & HAMMER Pure Baking Soda ARM & HAMMER Fridge-n-Freezer
NICE'N FLUFFY Liquid Fabric Softener ARM & HAMMER FRESH'N SOFT Liquid Fabric Softener ARM & HAMMER FRESH'N SOFT Fabric Softener Sheets	ARM & HAMMER Carpet & Room Deodorizer ARM & HAMMER VACUUM-FREE Foam Carpet Deodorizer
DELICARE Fine Fabric Wash	ARM & HAMMER Cat Litter Deodorizer ARM & HAMMER SUPER SCOOP Clumping Cat Litter ARM & HAMMER CRYSTAL BLEND Clumping Cat Litter ARM & HAMMER SUPER CLAY Cat Litter LAMBERT KAY Pet Care Products
ARM & HAMMER Super Washing Soda	BRILLO Steel Wool Soap Pads BRILLO SCRUB'N'TOSS Disposable Cleaning Pads SCRUB FREE Bathroom Cleaners CLEAN SHOWER Daily Shower Cleaner CAMEO Cleaners SNO BOL Toilet Bowl Cleaner PARSONS' Ammonia

**CONSUMER PRODUCTS - INTERNATIONAL - CHURCH & DWIGHT and ARMKEL**

**INTERNATIONAL PRODUCTS**



•\* All trademarks are owned by Church & Dwight or by one of its wholly-owned subsidiaries or affiliates.

•\*\* All trademarks are owned by Armkel, a 50/50 joint venture between Church & Dwight and Kelso & Company.

## CONSUMER PRODUCTS - DOMESTIC - CHURCH & DWIGHT\* and ARMKEL\*\*

### PERSONAL CARE PRODUCTS - CHURCH & DWIGHT\*

ARM & HAMMER ULTRAMAX Deodorants & Antiperspirants  
ARRID Antiperspirants  
LADY'S CHOICE Antiperspirants

ARM & HAMMER DENTAL CARE Toothpaste, Gum, Powder  
ARM & HAMMER PEROXICARE Toothpaste  
ARM & HAMMER ADVANCE WHITE Toothpaste, Gum  
ARM & HAMMER ADVANCE BREATH CARE Toothpaste, Gum,  
Mouthwash, Breathmints  
ARM & HAMMER COMPLETE CARE Toothpaste

### PERSONAL CARE PRODUCTS - ARMKEL\*\*

TROJAN Condoms  
TROJAN Personal Lubricants  
NATURALAMB Condoms  
CLASS-ACT Condoms

NAIR Depilatories  
LINEANCE European Body Essentials–Depilatories, Skin Care

FIRST RESPONSE Home Pregnancy and Ovulation Test Kits  
ANSWER Home Pregnancy and Ovulation Test Kits

PEARL DROPS Toothpolish and Toothpaste  
RIGIDENT Denture Adhesive  
CARTER'S LITTLE PILLS Laxative

## SPECIALTY PRODUCTS - DOMESTIC AND INTERNATIONAL - CHURCH & DWIGHT\*

### SPECIALTY CHEMICALS\*

ARM & HAMMER  
Performance Grade Sodium Bicarbonate  
ARM & HAMMER TORTILLA BLEND  
Leavening Mix

ARMAND PRODUCTS  
Potassium Carbonate  
Potassium Bicarbonate

ARMICARB 100  
Fungicide  
ARMAGRIP  
Anti-Slip Floor Treatment  
SORB-N-C  
Pollution Control

QUIMICA GERAL DO NORDESTE, BRAZIL  
Sodium Bicarbonate  
Barium Carbonate

BROTHERTON SPECIALITY  
PRODUCTS, UNITED KINGDOM  
Specialty Chemicals  
Specialty Cleaners

### ANIMAL NUTRITION PRODUCTS\*

ARM & HAMMER  
Feed Grade Sodium Bicarbonate

MEGALAC  
Rumen Bypass Fat

SQ-810  
Natural Sodium Sesquicarbonate

DCAD Plus  
Feed Grade Potassium Carbonate

BIO-CHLOR and FERMENTEN  
Rumen Fermentation Enhancers

### SPECIALTY CLEANERS\*

ARMEX  
Blast Media

ARMAKLEEN  
Aqueous Cleaners

AQUAWORKS  
Aqueous Cleaners

Commercial & Professional  
Cleaners and Deodorizers

## DEODORIZING AND HOUSEHOLD CLEANING PRODUCTS

All ARM & HAMMER consumer products, in every category, carry the assurance of natural deodorization and cleaning capabilities inherent in the brand's 157-year-old flagship product, ARM & HAMMER Baking Soda.



**Spill-Proof  
Package**  
with Flo-Thru Freshening



Pure  
**Baking Soda** <sup>UP</sup>



**LILLIE BROWN McNEILL**

Category Manager  
Household Deodorization Products



ARM & HAMMER Fridge-n-Freezer Pure Baking Soda with Flo-Thru Freshening, now packaged in a Spill-Proof box with removable panels for greater baking soda exposure to absorb odors, grew sales throughout 2002. Increased marketing support, including our “Yuck/Yum” advertising campaign, focused on the benefit of “keeping food tasting like it should.” Fridge and freezer deodorization are major targets for baking soda promotion in 2003, along with kitchen cleaning and laundry-additive applications.

ARM & HAMMER SUPER SCOOP, launched in 1997 as the Baking Soda Clumping Litter for cats, had another very strong year. The deodorization power of baking soda, combined with an advanced clumping system that locks in odors before they escape into the home, helped make SUPER SCOOP the #2 brand in the category. An innovative line extension to SUPER SCOOP is ARM & HAMMER CRYSTAL BLEND, a premium-priced clumping cat litter that provides superior deodorization versus all other leading litters. This unique formulation, introduced in Third Quarter 2001, utilizes silica crystals, baking soda, and an anti-microbial ingredient to inhibit growth of bacterial odors.

ARM & HAMMER Carpet & Room Deodorizers, with the #1 share position in the category, introduced Island Mist, a new fragrance available both in powder and in ARM & HAMMER VACUUM-FREE Foam. ARM & HAMMER PET FRESH Carpet & Room Deodorizer Plus Pet Hair Release is a new 2003 deodorizing formula that breaks the static charge bonding pet hair to rugs and upholstery, making vacuuming easier and more efficient.

In 2002, BRILLO Soap Pads enjoyed a strong year, largely due to the free BRILLO Gripper packaged inside the 10-count and larger size BRILLO boxes. In Second Quarter 2003, we will launch our first major BRILLO line extension, BRILLO SCRUB'N'TOSS Multiuse Disposable Cleaning Pads. This item offers the benefits of being scratchless and flexible, while durable for kitchen and bathroom surfaces, yet inexpensive enough to toss when dirty for elimination of odors and germs. This two-sided pad has a scrubber side for scouring cookware or bathroom tiles, and a soft side for scratchless cleaning of china or stemware. Each water-resistant container holds 10 reusable pads.

## LAUNDRY PRODUCTS

In 2002, the combination of ARM & HAMMER and XTRA Liquid and Powder Laundry Detergent brands, along with our ARM & HAMMER FRESH'N SOFT Fabric Softener business, gave Church & Dwight a strong base as the nation's #3 vendor in laundry products.



**Brighter Whites & Colors**  
with color-safe  
**BLEACH**  
**Alternative**

LL-338 43754-0000



**DEANA SABATINO**  
 Vice President  
 Sales Planning & Development



ARM & HAMMER Liquid Detergent again achieved high growth levels, significantly exceeding category growth, due in large part to our new high-fragrance Clean Mountain scent, along with our “classic” half-cup variant in the 128-ounce size. XTRA Liquid Detergent also built sales, driven by our popular Mountain Rain scent.

While the powder laundry segment extended its long-term decline throughout the year, ARM & HAMMER FABRICARE Powder gained share and held its position as the nation’s leading powder detergent value brand. This success is partially related to the introduction of our improved FABRICARE formulation which offers more concentrated cleaning and stain-fighting power.

ARM & HAMMER FRESH'N SOFT Fabric Softener Sheets reached record sales levels, to become America’s #1 value brand in the softener sheet segment, driven again by our new high-fragrance Clean Mountain scent, combined with colorful new graphics. NICE'N FLUFFY Liquid Fabric Softener was reformulated to provide “softness your family can feel,” maintaining its status as America’s #1 value brand in the liquid segment.

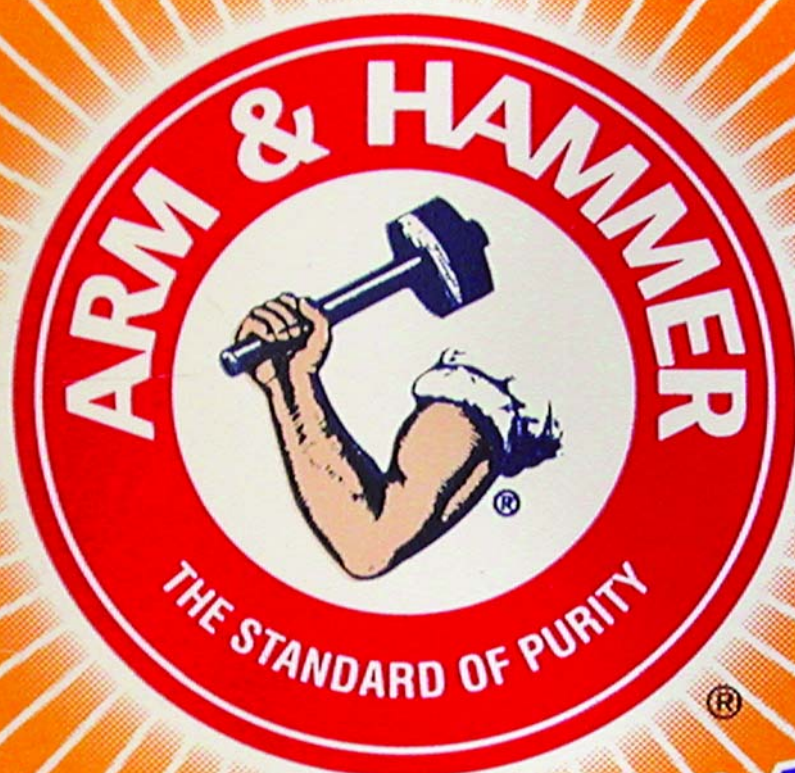
To further strengthen our softener franchise, in First Quarter 2003 we launched ARM & HAMMER FRESH'N SOFT Liquid Fabric Softener in 40- and 60-ounce sizes and in three scents – Classic Fresh, Wildflowers and Clean Mountain.

Both ARM & HAMMER and XTRA liquid brands, with the addition of another high-scented fragrance, are expected to continue their positive performance trends in the year ahead.

## PERSONAL CARE PRODUCTS-Church & Dwight

Church & Dwight's personal care business was transformed by the acquisition of ARRID and LADY'S CHOICE Antiperspirants, purchased from Carter-Wallace in late 2001. These two brands, together with the existing ARM & HAMMER Deodorants & Antiperspirants product line, put the Company in a strong #5 position in this \$1.7 billion category.

**CLEAR GEL**



**ULTRAMAX™**  
Time Released  
Protection



**LAUREL DOBALO**

Senior Director of Marketing  
Deodorants & Antiperspirants



In 2002, Church & Dwight accomplished its two major priorities for ARRID and LADY'S CHOICE: integration into the Company's operating systems; and transfer of production from the former Carter-Wallace plant at Cranbury, New Jersey, to the more efficient Church & Dwight plant at Lakewood, New Jersey.

Early in 2003, ARRID TOTAL Soft Solid and Invisible Solid Antiperspirants were launched, targeted specifically to women. ARRID TOTAL is the first antiperspirant positioned as an all-in-one product in this category, offering four key benefits: maximum odor and wetness protection, clear application without white residue, extra skin-conditioning ingredients, and buffers to prevent irritation. The brand is available in several contemporary scents, packaged in elegant metallic silver graphics and supported by breakthrough marketing programs.

In First Quarter 2002, ARM & HAMMER ULTRAMAX Deodorants & Antiperspirants were re-launched with a new patented time-released baking soda formula providing 36-hour odor protection, in dramatic "yellow box" packaging that is competitively-sized and priced. Television and print advertising, featuring a Major League all-star first baseman, Jason Giambi, boosted awareness and trial. Early in 2003, ARM & HAMMER ULTRAMAX Gel, with Superior Odor Protection versus the leading gel, was introduced in three fresh scents. This introduction makes ARM & HAMMER ULTRAMAX competitive in all key segments of the category primarily targeted to men.

ARM & HAMMER ADVANCE WHITE Toothpaste enjoyed another strong year behind the introduction of new eye-catching graphics, its on-going success closely linked to the inclusion of a Shade Guide in every box for monitoring whiteness improvement. The brand was supported year-long with strong promotion, including an advertising campaign that leverages baking soda's unique benefits for serious oral care.

In early 2003, ARM & HAMMER COMPLETE CARE was introduced as the first ARM & HAMMER entry into the All-In-One segment of the toothpaste category, and the only one in the category that delivers a "professional clean feeling" every time you brush. The product comes in two formulas: Intense Freshening and Extra Whitening, two important benefits derived from the brand's patented "dental grade" baking soda. Marketing support includes new television advertising, information and sampling to dentists, consumer coupons and in-store displays.

## PERSONAL CARE PRODUCTS-Armkel

Armkel is a 50/50 limited partnership that was formed between Church & Dwight and Kelso & Company in Third Quarter 2001. The domestic business primarily competes in three major segments: reproductive health (TROJAN Condoms), skin care (NAIR Depilatories/Waxes), and feminine health and hygiene (FIRST RESPONSE and ANSWER Home Pregnancy/Ovulation Test Kits).

**Designed  
To Help Enhance  
Her Sexual Pleasure**

**AMERICA'S #1 CONDOM  
TRUSTED FOR OVER 80 YEARS**



**Helps Reduce the Risk of Pregnancy and Sexually Transmitted Diseases.  
Caution: This Product Contains Natural Rubber Latex Which May Cause Allergic Reactions.**

# TROJAN<sup>®</sup>

**NEW!**

**HER PLEASURE<sup>™</sup>**

BRAND LATEX CONDOMS

**LUBRICATED**

DESIGNED FOR FEMALE STIMULATION

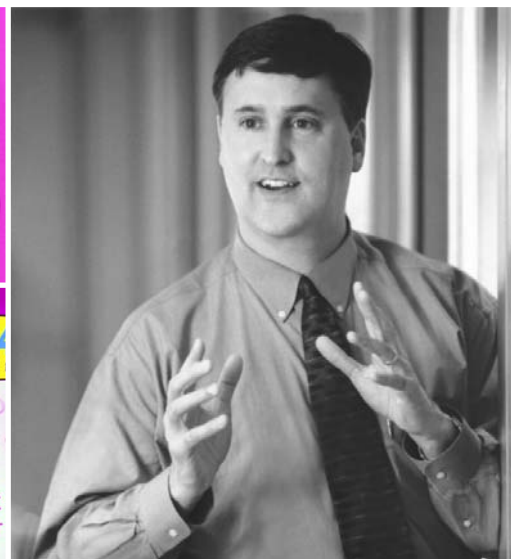
**12 PREMIUM  
LATEX CONDOMS**





**BRAD CASPER**

President  
Personal Care and  
Armkel Domestic



Condoms are recognized as highly reliable contraceptives as well as an effective means of reducing the risk of sexually transmitted diseases (STDs). TROJAN, America's #1 condom brand, has been trusted for its quality and innovative product entries for more than 80 years. In 2002, the brand continued its share leadership in the United States behind the success of such products as EXTENDED PLEASURE and HER PLEASURE; the evolution of the TROJAN MAN advertising campaign; and its on-going comprehensive educational programs. Informative outreach programs will continue to be targeted to young adults with the facts and figures they need to make intelligent choices.

The NAIR line of non-shaving hair removal products is the nation's #1 brand in both dollar and unit sales in the United States, with several consecutive years of double-digit sales growth behind innovative new products that address consumer needs for quick, complete and longer-lasting hair removal. These have included 4-minute formulas, raspberry scents, roll-on applicators and spa kits. In 2003, new waxes, depilatory creams, and cloth strips will be launched to further strengthen NAIR's leadership position.

To become a stronger skin care company, Armkel recognizes the need to introduce new products. In February 2003, we began shipping LINEANCE European Body Essentials, a line of upscale hair removal and skin care treatments that offer consumers the opportunity for a pampering spa experience in their own homes.

Our feminine health and hygiene business made excellent progress in 2002, led by FIRST RESPONSE, the #2 brand in the Home Pregnancy Test Kit category, and propelled by the momentum of our advertising and unique product claim that allows women to test for pregnancy "four days sooner than other leading brands." Our second brand, ANSWER, which competes in the price value segment of the Home Pregnancy and Ovulation Test Kit market, also enjoyed a steady year of performance.

## INTERNATIONAL PRODUCTS

Our international business enjoyed strong growth in 2002. Overseas operations are now more focused on selected priority categories such as Oral Care, Depilatories, Condoms, Home Pregnancy Test Kits and other successful regional niche products.

**NOUVEAU**

# Nair

Cire au sucre  
pomme verte  
Microwave wax

Méthode orientale simple et douce

Spéciale micro-ondes  
Se rince à l'eau

Épilation longue durée

**TOUS TYPES DE PEAUX**  
TESTÉ SOUS CONTRÔLE DERMATOLOGIQUE

Laboratoires Santé Beauté

NE PAS AVALER



**ADRIAN HUNS**

President  
Armkel International



Important organizational moves have been accomplished. In Canada, the operations of the Church & Dwight subsidiary were merged with Carter-Horner Inc., the Canadian company owned by Armkel, so that we now realize the significant synergies possible from a single sales and administrative source. In Spain, plans were finalized to relocate our subsidiary to a more modern facility in Barcelona in late 2003. Early in 2003, we sold our Italian subsidiary, which was not well connected strategically with the rest of our business, while retaining certain oral care and pregnancy test kit trademarks in that country.

Notable product successes included continued strong growth for NAIR Waxes and Depilatories, particularly in Canada and Mexico, where they are the #1 brand in the category, and in Spain (under the TAKY name), France and Australia, where they are the #2 brand.

TROJAN Condoms again led the market in Canada, and are a strong #2 in Mexico, supported in both countries by innovative new products.

In oral care, our German licensee launched PERL WEISS Beauty Pearls, a premium-priced cosmetic whitening toothpolish in a bottle. Our skin care products, especially LINEANCE, the leading supermarket brand in slimming body care, had a strong year in France. STERIMAR Nasal Hygiene Spray performed well in Mexico, Central America and in many export distributor markets managed by our French subsidiary.

In 2002, Armkel took over distribution of the ARM & HAMMER toothpaste product line in the United Kingdom. We are looking for opportunities to expand distribution of ARM & HAMMER products sold in several other countries. Two such initiatives are the recent introductions of ARM & HAMMER toothpaste into Mexico, and ARM & HAMMER baking soda into Japan.

## SPECIALTY PRODUCTS

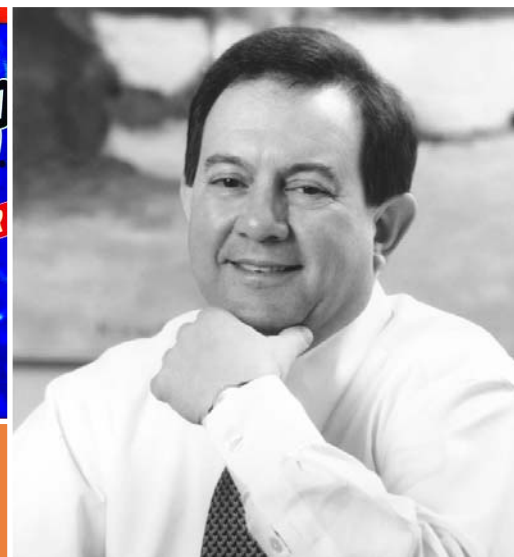
As the world's major supplier of sodium bicarbonate for both consumer and industrial applications, Church & Dwight considers its Specialty Products Division as its arm into the business-to-business arena. Currently, this Division participates in three product areas developed from our sodium bicarbonate heritage: Specialty Chemicals, Animal Nutrition and Specialty Cleaners.



TORTILLA  
BLEND™

**JOE SIPIA**

President & Chief Operating Officer  
Specialty Products Division



In Specialty Chemicals, sodium bicarbonate outpaced its category growth rate in 2002 as a result of continued differentiated marketing efforts supported by innovative Research & Development. In the foodservice industry, ARM & HAMMER TORTILLA BLEND Leavening Mix, introduced in 2000, extended its growth in this popular segment of the baking and snack industry. In the medical area, the high-purity quality of ARM & HAMMER Dialysis Grade Sodium Bicarbonate continued to be the standard of kidney dialysis programs nationwide. In home maintenance, usage of sodium bicarbonate for monitoring pH and alkalinity in swimming pools was enhanced by favorable weather conditions.

In the international area, Church & Dwight acquired a 14% shareholding from our partners in Quimica Geral do Nordeste (QGN), South America's leading producer of sodium bicarbonate, raising our overall ownership to nearly 100%. Despite difficult economic conditions, the Company achieved solid operating results for the year.

Although the dairy industry endured a troubled economy in 2002, our Animal Nutrition business reinforced its leadership position. Highlights include: the successful start-up of a major new plant in Madera, California, for the production of MEGALAC Rumen Bypass Fats and related products for the rapidly growing West Coast dairy feed additives market; good growth in MEGALAC and DCAD Plus products; and the acquisition of BIO-CHLOR and FERMENTEN, feed ingredients which improve feed efficiency and help increase milk production.

In Specialty Cleaners, The ArmaKleen Company, our joint venture in the aqueous parts cleaning segment, experienced a year in transition as our partner, Safety-Kleen Corp., re-engineered itself in preparation for emergence from bankruptcy. ArmaKleen is optimistic about its future given Safety-Kleen's focus on the aqueous parts cleaning segment as one of its growth engines.

In late 2002, Church & Dwight entered the Commercial & Professional market, with branded cleaners and deodorizers from our consumer products business, such as ARM & HAMMER VACUUM-FREE Foam Carpet Deodorizer and PARSONS' Glass Cleaner.

## 2002 FINANCIAL INFORMATION

Church & Dwight Co., Inc. is communicating summary financial information in this year's Annual Report, and providing full financials in the Proxy Statement, a format that has been accepted by the Securities and Exchange Commission. This format allows us to improve the readability, accessibility and cost-effectiveness of the Annual Report by condensing the overall length and putting more technical financial information in the Proxy Statement. Readers interested in more detailed financial information can readily obtain it through the following sources:

- The Company's Proxy Statement, scheduled to be mailed to all current stockholders of record in early April 2003 and available online at the Company's Web site, [www.churchdwight.com](http://www.churchdwight.com), or through the SEC's EDGAR database.
- The Company's Form 10-K Annual Report to the Securities and Exchange Commission for the year ending December 31, 2002, available online at [www.churchdwight.com](http://www.churchdwight.com) or through the SEC's EDGAR database. Hard copies are available without charge by writing to the Vice President of Finance at Corporate Headquarters.

Except for historical information, matters discussed in this Annual Report are forward-looking statements based on management's estimates, assumptions and projections. Actual results could vary materially. Please look to our SEC filings as well as the cautionary note on the inside back cover of this Report for a number of factors that can affect our performance and ability to achieve forward-looking statements.

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of Church & Dwight Co., Inc.  
Princeton, New Jersey

We have audited the consolidated balance sheets of Church & Dwight Co., Inc. and subsidiaries (the "Company") as of December 31, 2002 and 2001, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2002. Such consolidated financial statements and our report thereon dated March 10, 2003, expressing an unqualified opinion and including an explanatory paragraph regarding the Company's change in its method of accounting for goodwill and intangible assets to conform to Statement of Financial Accounting Standards No. 142 (which are not included herein), are included in Appendix B to the proxy statement for the 2003 annual meeting of stockholders. The accompanying condensed consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on such condensed consolidated financial statements in relation to the complete consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

*Deloitte + Touche LLP*

Parsippany, New Jersey  
March 10, 2003

**CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**

(Dollars in thousands, except per share data)

Year ended December 31,	2002	2001	2000
<b>Net Sales</b>	<b>\$ 1,047,149</b>	<b>\$ 959,707</b>	<b>\$ 691,191</b>
Cost of sales	<b>735,928</b>	680,211	450,321
<b>Gross Profit</b>	<b>311,221</b>	279,496	240,870
Marketing expenses	<b>86,195</b>	74,803	74,080
Selling, general and administrative expenses	<b>120,512</b>	111,832	92,718
Plant shutdown and other items	-	(660)	21,911
<b>Income from Operations</b>	<b>104,514</b>	93,521	52,161
Equity in earnings (loss) of affiliates	<b>21,520</b>	(6,195)	3,011
Investment earnings	<b>1,793</b>	2,224	2,032
Other income (expense)	<b>(2,618)</b>	(269)	(187)
Interest expense	<b>(23,974)</b>	(11,537)	(4,856)
<b>Income before minority interest and taxes</b>	<b>101,235</b>	77,744	52,161
Minority interest	<b>143</b>	3,889	287
Income before taxes	<b>101,092</b>	73,855	51,874
Income taxes	<b>34,402</b>	26,871	18,315
<b>Net Income</b>	<b>\$ 66,690</b>	<b>\$ 46,984</b>	<b>\$ 33,559</b>
Weighted average shares outstanding (in thousands)--Basic	<b>39,630</b>	38,879	38,321
Weighted average shares outstanding (in thousands)--Diluted	<b>41,809</b>	40,819	39,933
<b>Net Income Per Share-Basic</b>	<b>\$ 1.68</b>	<b>\$ 1.21</b>	<b>\$ .88</b>
<b>Net Income Per Share-Diluted</b>	<b>\$ 1.60</b>	<b>\$ 1.15</b>	<b>\$ .84</b>



## CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

### CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except per share data)

December 31,	2002	2001
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 76,302	\$ 52,446
Accounts receivable, less allowances of \$1,546 and \$3,666	100,252	106,291
Inventories	82,674	101,214
Deferred income taxes	18,154	19,849
Note receivable and current portion of long-term note receivable	870	5,803
Prepaid expenses	7,184	7,604
<b>Total Current Assets</b>	<b>285,436</b>	<b>293,207</b>
<b>Property, Plant and Equipment (Net)</b>	<b>240,007</b>	<b>231,449</b>
<b>Notes Receivable</b>	<b>9,708</b>	<b>11,951</b>
<b>Equity Investment in Affiliates</b>	<b>131,959</b>	<b>115,121</b>
<b>Long-term Supply Contracts</b>	<b>6,538</b>	<b>7,695</b>
<b>Tradenames and Other Intangibles</b>	<b>90,036</b>	<b>140,873</b>
<b>Goodwill</b>	<b>202,388</b>	<b>127,320</b>
<b>Other Assets</b>	<b>22,169</b>	<b>21,469</b>
<b>Total Assets</b>	<b>\$ 988,241</b>	<b>\$ 949,085</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current Liabilities</b>		
Short-term borrowings	\$ 4,490	\$ 3,220
Accounts payable and accrued expenses	162,907	176,176
Current portion of long-term debt	11,455	8,360
Income taxes payable	12,315	8,260
<b>Total Current Liabilities</b>	<b>191,167</b>	<b>196,016</b>
<b>Long-term Debt</b>	<b>352,488</b>	<b>406,564</b>
<b>Deferred Income Taxes</b>	<b>57,103</b>	<b>27,032</b>
<b>Deferred and Other Long-term Liabilities</b>	<b>24,014</b>	<b>19,164</b>
<b>Nonpension Postretirement and Postemployment Benefits</b>	<b>15,609</b>	<b>15,880</b>
<b>Minority Interest</b>	<b>214</b>	<b>2,126</b>
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity</b>		
Preferred Stock-\$1.00 par value		
Authorized 2,500,000 shares, none issued	-	-
Common Stock-\$1.00 par value		
Authorized 100,000,000 shares, issued 46,660,988 shares	46,661	46,661
Additional paid-in capital	39,550	28,414
Retained earnings	367,211	312,409
Accumulated other comprehensive (loss)	(16,919)	(9,728)
	<b>436,503</b>	<b>377,756</b>
Common stock in treasury, at cost:		
6,763,554 shares in 2002 and 7,518,105 shares in 2001	(88,857)	(95,453)
<b>Total Stockholders' Equity</b>	<b>347,646</b>	<b>282,303</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 988,241</b>	<b>\$ 949,085</b>



**CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOW**

(Dollars in thousands)

Year ended December 31,	2002	2001	2000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Net Income</b>	<b>\$ 66,690</b>	<b>\$ 46,984</b>	<b>\$ 33,559</b>
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	<b>27,890</b>	27,843	23,454
Disposal and write-down of assets	<b>6,193</b>	–	15,266
(Equity) loss in earnings of affiliates	<b>(21,520)</b>	6,195	(3,011)
Deferred income taxes	<b>17,817</b>	7,295	(4,067)
Other	<b>2,319</b>	93	(151)
Change in assets and liabilities: (net of effects of acquisitions and divestitures)			
Decrease (increase) in accounts receivable	<b>5,876</b>	(25,518)	(923)
Decrease (increase) in inventories	<b>16,771</b>	(14,544)	17,110
(Increase) in prepaid expenses	<b>(394)</b>	(2,161)	(618)
(Decrease) increase in accounts payable	<b>(18,982)</b>	(12,232)	20,377
Increase in income taxes payable	<b>10,199</b>	5,669	291
Increase in other liabilities	<b>1,157</b>	2,021	1,472
<b>Net Cash Provided by Operating Activities</b>	<b>114,016</b>	<b>41,645</b>	<b>102,759</b>
<b>Cash Flow From Investing Activities</b>			
Decrease in short-term investments	–	2,990	1,009
Additions to property, plant and equipment	<b>(38,739)</b>	(34,086)	(21,825)
Purchase of USA Detergents common stock	–	(100,707)	(10,384)
Acquisition of Biovance stock (net of cash acquired of \$365)	<b>(7,756)</b>	–	–
Distributions from affiliates	<b>4,670</b>	6,350	4,132
Investment in affiliates, net of cash acquired	<b>(2,731)</b>	(108,250)	(360)
Purchase of other assets	–	(2,568)	(2,321)
Proceeds from notes receivable	<b>5,803</b>	3,087	3,000
Proceeds from sale of fixed assets	<b>1,460</b>	2,530	–
Purchase of new product lines	–	(129,105)	–
Investment in notes receivable	–	(16,380)	–
Other	<b>(1,077)</b>	(1,019)	(442)
<b>Net Cash Used in Investing Activities</b>	<b>(38,370)</b>	<b>(377,158)</b>	<b>(27,191)</b>
<b>Cash Flow From Financing Activities</b>			
Proceeds (repayments) from short-term borrowing	<b>2,457</b>	(10,792)	(12,166)
(Repayments) of long-term borrowings	<b>(52,751)</b>	(171,114)	(37,831)
Proceeds from stock options exercised	<b>10,868</b>	9,168	7,465
Purchase of treasury stock	–	–	(20,484)
Payment of cash dividends	<b>(11,888)</b>	(11,275)	(10,744)
Deferred financing costs	<b>(476)</b>	(9,601)	–
Proceeds from long-term borrowing	–	560,000	–
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(51,790)</b>	<b>366,386</b>	<b>(73,760)</b>
<b>Net Change in Cash and Cash Equivalents</b>	<b>23,856</b>	<b>30,873</b>	<b>1,808</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>52,446</b>	<b>21,573</b>	<b>19,765</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 76,302</b>	<b>\$ 52,446</b>	<b>\$ 21,573</b>
Cash paid during the year for:			
Interest (net of amounts capitalized)	<b>\$ 23,362</b>	\$ 9,948	\$ 4,838
Income taxes	<b>4,421</b>	15,292	22,404
Acquisitions in which liabilities were assumed are as follows:			
Fair value of assets	<b>\$ 14,889</b>	\$ 293,402	\$ –
Cash paid for stock and product lines	<b>(8,121)</b>	(229,812)	–
Liabilities assumed	<b>\$ 6,768</b>	\$ 63,590	\$ –

## CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

(In thousands)

Years ended December 31, 2002, 2001, 2000

	Number of Shares		Amounts						
	Common Stock	Treasury Stock	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Due From Shareholder	Comprehensive Income
<b>January 1, 2000</b>	46,661	(7,805)	\$46,661	\$(87,021)	\$18,356	\$253,885	\$(4,599)	\$(549)	
Net Income	-	-	-	-	-	33,559	-	-	\$33,559
Translation adjustments	-	-	-	-	-	-	(1,599)	-	(1,599)
Available for sale securities net of taxes of \$1,923	-	-	-	-	-	-	(3,191)	-	(3,191)
Comprehensive Income									<u>28,769</u>
Cash dividends	-	-	-	-	-	(10,744)	-	-	
Stock option plan transactions including related income tax benefit of \$2,245	-	702	-	5,629	4,081	-	-	-	
Purchase of treasury stock	-	(1,185)	-	(20,484)	-	-	-	-	
Other stock issuances	-	5	-	40	77	-	-	-	
Repayment of shareholder loan	-	-	-	-	-	-	-	549	
<b>December 31, 2000</b>	46,661	(8,283)	46,661	(101,836)	22,514	276,700	(9,389)	0	
Net Income	-	-	-	-	-	46,984	-	-	46,984
Translation adjustments	-	-	-	-	-	-	(2,163)	-	(2,163)
Available for sale securities net of taxes of \$1,923	-	-	-	-	-	-	3,191	-	3,191
Interest rate swap agreements net of taxes of \$823	-	-	-	-	-	-	(1,367)	-	(1,367)
Comprehensive Income									<u>46,645</u>
Cash dividends	-	-	-	-	-	(11,275)	-	-	
Stock option plan transactions including related income tax benefit of \$2,913	-	757	-	6,311	5,769	-	-	-	
Other stock issuances	-	8	-	72	131	-	-	-	
<b>December 31, 2001</b>	46,661	(7,518)	46,661	(95,453)	28,414	312,409	(9,728)	0	
<b>Net Income</b>	-	-	-	-	-	<b>66,690</b>	-	-	<b>66,690</b>
<b>Translation adjustments</b>	-	-	-	-	-	-	<b>(3,732)</b>	-	<b>(3,732)</b>
<b>Minimum pension liability net of taxes of \$1,497</b>	-	-	-	-	-	-	<b>(2,417)</b>	-	<b>(2,417)</b>
<b>Interest rate swap agreements net of taxes of \$645</b>	-	-	-	-	-	-	<b>(1,042)</b>	-	<b>(1,042)</b>
<b>Comprehensive Income</b>									<u><b>\$59,499</b></u>
<b>Compensation expense relating to stock options</b>	-	-	-	-	<b>804</b>	-	-	-	
<b>Cash dividends</b>	-	-	-	-	-	<b>(11,888)</b>	-	-	
<b>Stock option plan transactions including related income tax benefit of \$5,923</b>	-	<b>750</b>	-	<b>6,556</b>	<b>10,235</b>	-	-	-	
<b>Other stock issuances</b>	-	<b>4</b>	-	<b>40</b>	<b>97</b>	-	-	-	
<b>December 31, 2002</b>	<b>46,661</b>	<b>(6,764)</b>	<b>\$46,661</b>	<b>\$(88,857)</b>	<b>\$39,550</b>	<b>\$367,211</b>	<b>\$(16,919)</b>	<b>\$ 0</b>	

## CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

### ELEVEN-YEAR FINANCIAL REVIEW

Operating Results	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
<b>NET SALES</b>											
Consumer Products	\$ 864.1	786.9	529.6	482.3	453.2	369.3	331.4	313.6	314.4	328.3	327.4
Specialty Products	183.0	172.8	161.6	153.3	132.5	124.6	119.0	114.4	106.4	104.9	94.7
Total	1,047.1	959.7	691.2	635.6	585.7	493.9	450.4	428.0	420.8	433.2	422.1
Marketing	\$ 86.2	74.8	74.1	71.4	75.2	58.6	50.1	53.0	52.7	44.2	41.1
Research & development	\$ 26.9	21.8	19.4	17.9	16.4	15.8	17.8	18.5	20.6	21.2	17.8
Income from operations	\$ 104.5	93.5	52.2	67.7	42.5	30.6	27.3	8.4	1.5	35.6	37.7
% of sales	10.0%	8.7%	6.6%	9.1%	6.1%	5.2%	5.1%	1.7%	.3%	6.9%	7.5%
Net income	\$ 66.7	47.0	33.6	45.4	30.3	24.5	21.2	10.2	6.1	26.3	29.5
Net income per share - basic	\$ 1.68	1.21	.88	1.17	.78	.63	.55	.26	.16	.65	.73
Net income per share - diluted	\$ 1.60	1.15	.84	1.11	.76	.61	.54	.26	.16	.64	.71
<b>FINANCIAL POSITION</b>											
Total assets	\$ 988.2	949.1	455.6	476.3	391.4	351.0	308.0	293.2	294.5	281.7	261.0
Total debt	368.4	418.1	34.0	84.4	48.8	39.5	7.5	12.5	32.5	9.6	7.7
Stockholders' equity	347.6	282.3	234.7	226.7	194.8	179.3	165.3	153.7	153.9	169.4	159.1
Total debt as a % of total capitalization	52%	60%	13%	27%	20%	18%	4%	8%	17%	5%	5%
<b>OTHER DATA</b>											
Average common shares outstanding-basic (In thousands)	39,630	38,879	38,321	38,792	38,734	38,922	39,068	39,134	39,412	40,446	40,676
Return on average stockholders' equity	21.2%	18.2%	14.5%	21.5%	16.2%	14.2%	13.3%	6.6%	3.8%	16.0%	19.8%
Return on average capital	11.5%	11.2%	12.7%	17.0%	13.8%	12.8%	12.7%	6.2%	3.6%	15.3%	19.0%
Cash dividends paid	\$ 11.9	11.3	10.7	10.1	9.3	9.0	8.6	8.6	8.7	8.5	7.7
Cash dividends paid per common share	\$ .30	.29	.28	.26	.24	.23	.22	.22	.22	.21	.19
Stockholders' equity per common share	\$ 8.77	7.26	6.12	5.84	5.05	4.62	4.25	3.94	3.94	4.22	3.91
Additions to property, plant and equipment	\$ 38.7	34.1	21.8	33.1	27.1	9.9	7.1	19.7	28.4	28.8	12.5
Depreciation and amortization	\$ 27.9	27.8	23.5	19.3	16.5	14.2	13.6	13.1	11.7	10.6	9.8
Employees at year-end	2,256	2,099	1,439	1,324	1,127	1,137	937	941	1,028	1,096	1,092
Statistics per employee:*											
(In thousands)											
Sales	\$ 513	568	650	643	615	513	573	526	486	470	462

\*2002, 2001, 2000 and 1999 results reflect sales for U.S. operations only

## CHURCH &amp; DWIGHT CO., INC.

## PRODUCT LINE NET SALES

	2002	2001	2000
Deodorizing and Cleaning Products	\$ 255,756	\$ 236,549	\$203,999
Laundry Products	400,476	386,619	176,953
Personal Care Products	385,347	159,966	112,930
International	204,968	81,323	35,703
<b>Total Consumer Products</b>	<b>1,246,547</b>	<b>864,457</b>	<b>529,585</b>
Specialty Products Division	223,375	219,223	211,668
<b>Total Internal Net Sales</b>	<b>1,469,922</b>	<b>1,083,680</b>	<b>741,253</b>
Less: Unconsolidated Affiliates	(422,773)	(123,973)	(50,062)
<b>Total External Net Sales</b>	<b>\$ 1,047,149</b>	<b>\$ 959,707</b>	<b>\$ 691,191</b>

## UNAUDITED QUARTERLY FINANCIAL INFORMATION

(In thousands, except for per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
<b>2002</b>					
Net sales	\$ 256,802	\$ 258,463	\$263,786	\$ 268,098	\$1,047,149
Gross profit	73,250	75,938	81,200	80,833	311,221
Income from operations	27,227	24,293	28,149	24,845	104,514
Equity in earnings of affiliates	917	11,364	5,453	3,786	21,520
Net income	14,923	18,652	17,575	15,540	66,690
Net income per share-basic	\$ 0.38	\$ 0.47	\$ 0.44	\$ 0.39	\$ 1.68
Net income per share-diluted	\$ 0.36	\$ 0.45	\$ 0.42	\$ 0.37	\$ 1.60
<b>2001</b>					
Net sales	\$ 226,780	\$ 229,636	\$238,372	\$ 264,919	\$ 959,707
Gross profit	64,351	69,540	71,848	73,757	279,496
Income from operations	20,952	22,505	25,835	24,229	93,521
Equity in earnings (loss) of affiliates	1,032	1,151	886	(9,264)	(6,195)
Net income	12,147	13,478	15,246	6,113	46,984
Net income per share-basic	\$ 0.32	\$ 0.35	\$ 0.39	\$ 0.16	\$ 1.21
Net income per share-diluted	\$ 0.30	\$ 0.33	\$ 0.37	\$ 0.15	\$ 1.15
<b>2000</b>					
Net sales	\$ 165,297	\$ 175,486	\$174,302	\$176,106	\$ 691,191
Gross profit	55,835	62,913	61,995	60,127	240,870
Income (loss) from operations	18,664	19,341	(1,694)	15,850	52,161
Equity in earnings of affiliates	854	324	855	978	3,011
Net income (loss)	11,732	12,375	(1,236)	10,688	33,559
Net income (loss) per share-basic	\$ 0.30	\$ 0.32	\$ (0.03)	\$ 0.28	\$ 0.88
Net income (loss) per share-diluted	\$ 0.29	\$ 0.31	\$ (0.03)	\$ 0.27	\$ 0.84

**DIRECTORS****Robert H. Beeby**

Retired President and  
Chief Executive Officer  
Frito-Lay, Inc.  
Director since 1992

**Robert A. Davies, III**

Chairman and  
Chief Executive Officer  
Church & Dwight Co., Inc.  
Director since 1995

**Rosina B. Dixon, M.D.**

Physician and Consultant  
Director since 1979

**J. Richard Leaman, Jr.**

Retired President and  
Chief Executive Officer  
S. D. Warren Company  
Director since 1985

**Robert D. LeBlanc**

Consultant, former President  
and Chief Executive Officer  
Handy & Harman  
Director since 1998

**John D. Leggett III, Ph.D.**

President  
Sensor Instruments Co., Inc.  
Director since 1979

**John F. Maypole**

Managing Partner  
Peach State Real Estate  
Holding Co.  
Director since 1999

**Robert A. McCabe**

Chairman  
Pilot Capital Corporation  
Director since 1987

**Dwight C. Minton**

Chairman Emeritus  
Church & Dwight Co., Inc.  
Director since 1965

**Burton B. Staniar**

Chairman  
Knoll, Inc.  
Director since 1999

**John O. Whitney**

Lead Director  
Professor of Management  
Columbia Business School  
Director since 1992

**ELECTED OFFICERS****Robert A. Davies, III**

Chairman and  
Chief Executive Officer

**Bradley A. Casper**

President  
Personal Care Division

**Mark G. Conish**

Vice President  
Operations

**Steven P. Cugine**

Vice President  
Human Resources,  
Acting President  
Household Products Division

**Zvi Eiref**

Vice President Finance and  
Chief Financial Officer

**Henry Kornhauser**

Vice President  
Creative Services

**Dennis M. Moore**

Vice President Sales  
Consumer Products

**Joseph A. Sipia, Jr.**

President and  
Chief Operating Officer  
Specialty Products Division

**Andrew B. Steinberg**

Vice President,  
General Counsel and Secretary

**PRINCIPAL ACCOUNTING OFFICERS****Gary P. Halker**

Vice President Finance  
and Treasurer

**Steven J. Katz**

Controller

**ARMKEL****Robert A. Davies, III**

Chairman and  
Chief Executive Officer

**Bradley A. Casper**

President  
Armkel Domestic

**Adrian J. L. Huns**

President  
Armkel International

**Maureen K. Usifer**

Finance Director Domestic  
and Chief Financial Officer



## INVESTOR INFORMATION

### Corporate Headquarters

Church & Dwight Co., Inc.  
469 North Harrison Street  
Princeton, NJ 08543-5297  
(609) 683-5900

### Corporate Website

[www.churchdwright.com](http://www.churchdwright.com)

### Independent Auditors

Deloitte & Touche LLP  
2 Hilton Court  
Parsippany, NJ 07054

### Transfer Agent and Registrar

Computershare Investor Services LLC  
2 N. LaSalle Street  
Chicago, IL 60602  
(312) 588-4219  
[www.computershare.com](http://www.computershare.com)

## STOCK LISTING

Church & Dwight Co., Inc. shares are listed on the New York Stock Exchange. The symbol is CHD.

## 10-K REPORT

Stockholders may obtain a copy of the Company's Form 10-K Annual Report to the Securities and Exchange Commission, for the year ended December 31, 2002, by writing to the Vice President Finance at Corporate Headquarters.

## QUARTERLY REPORTS

Church & Dwight Co., Inc. mails quarterly reports to stockholders of record and to other persons who request copies. If your shares are not registered in your name but are held at a broker, bank or other intermediary, you can receive quarterly reports if you send a written request and provide your name and address to:

Quarterly Reports  
Church & Dwight Co., Inc.  
c/o Computershare Investor Services LLC  
P.O. Box A3504  
Chicago, IL 60690  
1-866-299-4219

## STOCKHOLDER INQUIRIES

Communications concerning stockholder records, stock transfer, changes of ownership, account consolidations, dividends and change of address should be directed to: Church & Dwight Co., Inc.  
Computershare Investor Services LLC  
Shareholder Relations  
1-866-299-4219

## DIVIDEND REINVESTMENT PLAN

Church & Dwight Co., Inc. offers an automatic Dividend Reinvestment Plan for our Common Stockholders. For details, contact:  
Dividend Reinvestment Plan  
c/o Church & Dwight Co., Inc.  
Computershare Trust Company, Inc.  
P.O. Box A3309  
Chicago, IL 60690-3309  
1-866-299-4219

**THE ANNUAL MEETING OF STOCKHOLDERS  
WILL BE HELD AT:**

11:00 A.M. Thursday, May 8, 2003  
The Westin Princeton  
at the Forrestal Village  
201 Village Boulevard  
Princeton, New Jersey 08540  
Telephone: (609) 452-7900  
[www.westin.com](http://www.westin.com)

**CAUTIONARY NOTE ON  
FORWARD-LOOKING STATEMENTS**

This annual report contains forward-looking statements relating, among others, to short- and long-term financial objectives, sales growth, cash flow and cost improvement programs. These statements represent the intentions, plans, expectations and beliefs of Church & Dwight, and are subject to risks, uncertainties and other factors, many of which are outside the Company's control and could cause actual results to differ materially from such forward-looking statements. The uncertainties include assumptions as to market growth and consumer demand (including the effect of political and economic events on consumer demand), raw material and energy prices, the financial condition of major customers, and the Company's determination and ability to exercise its option to acquire the remaining 50% interest in Armkel. With regard to the new product introductions referred to in this report, there is particular uncertainty relating to trade, competitive and consumer reactions. Other factors, which could materially affect the results, include the outcome of contingencies, including litigation, pending regulatory proceedings, environmental remediation and the acquisition or divestiture of assets.

The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any further disclosures the Company makes on related subjects in its filings with the U.S. Securities and Exchange Commission. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

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CHURCH & DWIGHT CO., INC.  
469 North Harrison Street  
Princeton, NJ 08543-5297

On the Internet: [www.churchdwight.com](http://www.churchdwight.com)