

PROCTER & GAMBLE NYSE-PG

RECENT PRICE **69.22**

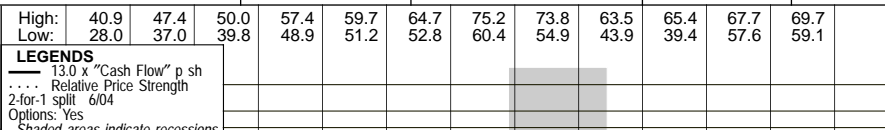
P/E RATIO **18.1** (Trailing: 17.8; Median: 20.0)

RELATIVE P/E RATIO **1.18**

DIV'D YLD **3.3%**

VALUE LINE

TIMELINESS 3 Raised 9/21/12
SAFETY 1 Raised 1/11/02
TECHNICAL 3 Lowered 9/28/12
BETA .60 (1.00 = Market)



High:	40.9	47.4	50.0	57.4	59.7	64.7	75.2	73.8	63.5	65.4	67.7	69.7
Low:	28.0	37.0	39.8	48.9	51.2	52.8	60.4	54.9	43.9	39.4	57.6	59.1

2015-17 PROJECTIONS

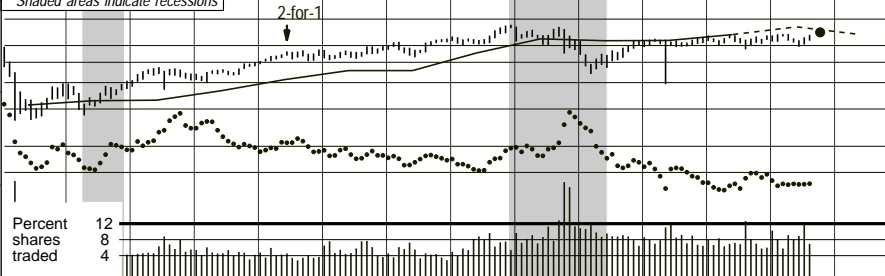
Price	Gain	Ann'l Total Return
High 110	(+60%)	15%
Low 90	(+30%)	10%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	1	0	0	0
Options	1	0	0	4	0	0	1	0	2
to Sell	1	0	0	5	0	0	1	0	0

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	704	666	660
to Sell	748	803	811
Hlds(000)	1550969	1557127	1429660



Target Price Range	2015	2016	2017
	160	120	100
	80	60	50
	40	30	20
	15		

% TOT. RETURN 8/12	THIS STOCK	VL ARITH. INDEX
1 yr.	9.1	11.2
3 yr.	36.5	47.4
5 yr.	19.2	27.8

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
12.87	13.24	13.89	14.44	15.30	15.14	15.47	16.72	20.21	22.95	21.46	24.42	27.53	27.09	27.81	29.85	30.45	30.40	Sales per sh ^A	37.35
1.57	1.78	1.97	2.34	2.41	2.53	2.55	2.82	3.18	3.51	3.51	4.25	4.97	4.86	4.87	5.21	5.66	5.20	"Cash Flow" per sh	7.50
1.07	1.14	1.28	1.43	1.48	1.56	1.80	2.04	2.32	2.53	2.64	3.04	3.64	3.58	3.53	3.93	3.85	3.90	Earnings per sh ^{AB}	6.00
.40	.45	.51	.57	.64	.70	.76	.82	.93	1.03	1.15	1.28	1.45	1.64	1.80	1.97	2.14	2.29	Div'ds Decl'd per sh ^{CA}	3.00
.79	.79	.96	1.07	1.16	.96	.65	.57	.80	.88	.84	.94	1.00	1.11	1.08	1.20	1.44	1.30	Cap'l Spending per sh	1.30
3.59	3.77	3.89	3.89	4.04	3.98	4.64	5.63	6.19	6.47	19.33	20.87	22.46	21.18	21.20	24.14	23.30	23.70	Book Value per sh ^D	26.75
2742.4	2701.6	2674.9	2639.6	2611.7	2591.5	2601.5	2594.4	2543.8	2472.9	3178.8	3131.9	3032.7	2917.0	2838.5	2765.7	2748.0	2725.0	Common Shs Outst'g ^E	2590.0
19.0	24.1	30.8	30.8	29.7	21.4	22.4	21.6	21.3	21.5	21.5	20.5	18.6	16.4	17.0	16.0	16.7		Avg Ann'l P/E Ratio	16.5
1.19	1.39	1.60	1.76	1.93	1.10	1.22	1.23	1.13	1.14	1.16	1.09	1.12	1.09	1.08	1.00	1.09		Relative P/E Ratio	1.10
2.0%	1.6%	1.3%	1.3%	1.5%	2.1%	1.9%	1.9%	1.9%	1.9%	2.0%	2.1%	2.1%	2.8%	3.0%	3.1%	3.3%		Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$29.8 bill. Due in 5 Yrs \$14.7 bill.
 LT Debt \$21.1 bill. LT Interest \$725 mill.
 (25% of Capital)
 Leases, Uncapitalized Annual Rentals \$289 mill.
 Pension Assets-6/12 \$8.0 bill.
 Oblig. \$13.6 bill.
 Pfd Stock \$1195 mill. Pfd Div'd \$256 mill.
 (As of 6/30/12, ESOP owns 62,016,000 Class A shares and 59,545,000 Class B shares; both series are convertible into common stock.)
 Common Stock 2,748,000,000 shares
 MARKET CAP: \$190 billion (Large Cap)

40238	43377	51407	56741	68222	76476	83503	79029	78938	82559	83680	82800	Sales (\$mill) ^A	96800
22.5%	23.3%	22.5%	21.7%	23.3%	24.3%	24.2%	24.3%	24.2%	22.6%	22.6%	22.2%	Operating Margin	26.5%
1693.0	1703.0	1733.0	1884.0	2627.0	3130.0	3166.0	3082.0	3108.0	2838.0	3204	3400	Depreciation (\$mill)	3800
5052.0	5731.0	6481.0	6923.0	8684.0	10340	12075	11293	10946	11797	12343	10800	Net Profit (\$mill) ^F	15600
28.7%	29.0%	30.7%	30.5%	30.0%	29.7%	24.9%	26.3%	27.3%	22.3%	24.2%	24.2%	Income Tax Rate	26.0%
12.6%	13.2%	12.6%	12.2%	12.7%	13.5%	14.5%	14.3%	13.9%	14.3%	14.8%	13.0%	Net Profit Margin	16.1%
d538.0	2682.0	d5032	d4710	4344.0	d6686	d6443	d8996	d5500	d5323	d2997	d2800	Working Cap'l (\$mill)	d1800
11201	11475	12554	12887	35976	23375	23581	20652	21360	22033	21080	20700	Long-Term Debt (\$mill)	21500
13706	16186	17278	17477	62908	66760	69494	63099	61439	68001	64035	64600	Shr. Equity (\$mill)	69300
21.4%	21.5%	22.6%	23.7%	9.3%	12.1%	13.8%	14.3%	13.8%	13.5%	14.9%	12.5%	Return on Total Cap'l	17.5%
36.9%	35.4%	37.5%	39.6%	13.8%	15.5%	17.4%	17.9%	17.8%	17.3%	16.5%	16.5%	Return on Shr. Equity	22.5%
24.5%	23.9%	25.0%	26.2%	8.1%	9.4%	10.9%	10.1%	9.1%	9.0%	9.9%	6.5%	Retained to Com Eq	11.0%
41%	39%	39%	39%	43%	41%	39%	45%	50%	49%	50%	58%	All Div'ds to Net Prof	51%

CURRENT POSITION (SMILL.)

	2010	2011	6/30/12
Cash Assets	2879	2768	4436
Receivables	5335	6275	6068
Inventory (FIFO)	6384	7379	6721
Other	4184	5548	4685
Current Assets	18782	21970	21910
Accts Payable	7251	8022	7920
Debt Due	8472	9981	8698
Other	8559	9290	8289
Current Liab.	24282	27293	24907

BUSINESS: The Procter & Gamble Company makes branded consumer packaged goods, which are marketed in more than 180 countries around the world. Has five reportable segments: Beauty (24% of fiscal 2012 sales, 22% of earnings); Grooming (10%, 16%); Health Care (15%, 17%); Fabric Care & Home Care (32%, 26%); Baby Care & Family Care (19%, 19%). International sales accounted for 65% of fiscal 2012 top line; Wal-Mart Stores accounted for 14%. Has approximately 126,000 employees. Officer & directors own less than 1% of common stock (8/12 proxy). President, Chairman & CEO: Robert A. McDonald. Incorporated: Ohio. Address: One Procter & Gamble Plaza, Cincinnati, Ohio 45202. Telephone: 513-983-1100. Internet: www.pg.com.

ANNUAL RATES

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
of change (per sh)			
Sales	6.5%	5.5%	5.0%
"Cash Flow"	7.5%	8.0%	8.0%
Earnings	9.5%	8.0%	8.0%
Dividends	11.0%	11.5%	9.0%
Book Value	19.0%	16.0%	7.5%

Procter & Gamble reported better-than-expected earnings to close out fiscal 2012 (ended June 30th). Despite falling short of our revenue target by roughly \$200 million, the company beat our share-net estimate by a nickel. More specifically, the top line dropped 1% compared to a year earlier (on an apples-to-apples basis after accounting for the recent divestiture of the snacks business), with unfavorable foreign exchange pressuring sales to the tune of 4%. Adjusted share earnings were \$0.82, on par with the pro forma total reported a year ago.

Thus, the top line appears set to decline about 1% this year, which is quite a ways from our previous target of a 2% advance. We lowered our share-earnings target by a nickel, too, despite the fact that management announced plans to repurchase another \$4 billion worth of common stock over the course of the fiscal year. In a nutshell, we think higher volume of lower-margin products and increased commodity costs will mitigate the benefits of ongoing restructuring and productivity-improvement initiatives.

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Ends	Mar.30	Jun.30	Mar.30	Jun.30	Full Fiscal Year
2009	21582	20368	18417	18662	79029
2010	19807	21027	19178	18926	78938
2011	20122	21347	20230	20860	82559
2012	21530	21744	20194	20212	83680
2013	20450	21350	20400	20600	82800

Investors cheered the news, and are seemingly back in this consumer product heavyweight's corner. The stock price rose roughly 3% on the day fourth-quarter results were announced, and is up about 11% since our June review. We recently raised this issue's Timeliness rank one notch, to 3 (Average).

This neutrally ranked blue chip remains a worthwhile selection for most investors. The stock is ranked 1 (Highest) for Safety, which should assure the conservative crowd. We like the long-term revenue growth prospects, too, and think ongoing restructuring will lead to better operating and profit margins down the road. Thus, 3- to 5-year capital appreciation potential is decent and fairly well defined. Finally, the dividend yield is good, and it should remain above or at 3% for the foreseeable future.

EARNINGS PER SHARE ^{AB}

Fiscal Year Ends	Mar.30	Jun.30	Mar.30	Jun.30	Full Fiscal Year
2009	1.03	.94	.83	.78	3.58
2010	.97	1.01	.83	.71	3.53
2011	1.02	1.11	.96	.84	3.93
2012	1.01	1.09	.94	.82	3.85
2013	.96	1.08	.96	.90	3.90

QUARTERLY DIVIDENDS PAID ^{CA}

Calendar	Mar.31	Jun.30	Mar.31	Jun.31	Full Year
2008	.35	.40	.40	.40	1.55
2009	.40	.44	.44	.44	1.72
2010	.44	.482	.482	.482	1.89
2011	.482	.525	.525	.525	2.06
2012	.525	.562	.562		

Currency translation and macro-economic softness will likely curb growth in fiscal 2013. Foreign exchange will likely ding sales by another 4% this year, and we are only looking for an internal sales gain of 3%, owing to global economic softness.

Erik A. Antonson September 28, 2012

(A) Fiscal years end June 30th. (B) Based on average shares thru '96, diluted thereafter. Excludes nonrecurring: '99, (13c); '00, (24c); '01, (53c); '02, (25c); '03, (19c); '08, (12c); '09, (64c); '10, 58c; '11, (61c); '12, (73c). EPS may not sum. Next earnings report due late October. (C) Dividends historically paid in February, May, August, and November. DRIP available. (D) Includes intangibles. In '12: \$84.8 bill., \$30.84 a share. (E) In millions, adjusted for splits. (F) Net income may differ materially from net income attributable to P&G.	Company's Financial Strength	A++
	Stock's Price Stability	100
	Price Growth Persistence	50
	Earnings Predictability	100

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