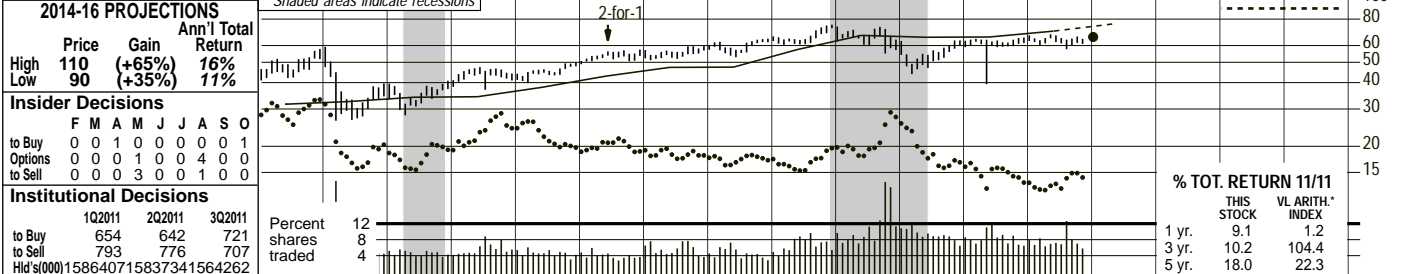


PROCTER & GAMBLE NYSE-PG

RECENT PRICE **65.79** P/E RATIO **15.6** (Trailing: 16.7; Median: 20.0) RELATIVE P/E RATIO **1.11** DIV'D YLD **3.2%** **VALUE LINE**

TIMELINESS	4	Lowered 8/19/11	High:	59.2	40.9	47.4	50.0	57.4	59.7	64.7	75.2	73.8	63.5	65.4	67.7				Target	Price	Range
SAFETY	1	Raised 1/11/02	Low:	26.4	28.0	37.0	39.8	48.9	51.2	52.8	60.4	54.9	43.9	39.4	57.6				2014	2015	2016
TECHNICAL	3	Lowered 12/21/11	<div>LEGENDS</div> <div>— 13.5 x "Cash Flow" p sh</div> <div>.... Relative Price Strength</div> <div>2-for-1 split 6/04</div> <div>Options: Yes</div> <div>Shaded areas indicate recessions</div>																		
BETA	.60	(1.00 = Market)																			



1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
12.17	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	31.95	Sales per sh ^A	39.40
1.38	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	5.65	"Cash Flow" per sh	7.50
.93	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	4.22	Earnings per sh ^{AB}	5.95
.35	.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	Div'ds Decl'd per sh ^C	3.00
.78	.79	.79	.96	1.07	1.16	.96	.65	.57	.80	.88	.84	.94	1.00	1.11	1.08	1.20	1.20	Cap'l Spending per sh	1.30
3.16	3.59	3.77	3.98	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	26.40	Book Value per sh ^D	32.85
2746.3	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	2725.0	Common Shs Outst'g ^E	2610.0
17.1	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		Avg Ann'l P/E Ratio	16.5
1.14	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	.97		Relative P/E Ratio	1.10
2.2%	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%		Avg Ann'l Div'd Yield	3.0%

CAPITAL STRUCTURE as of 9/30/11																		
Total Debt \$33.8 bill. Due in 5 Yrs \$22.5 bill.																		
LT Debt \$22.4 bill. LT Interest \$810 mill.																		
(25% of Capital)																		
Leases, Uncapitalized Annual Rentals \$264 mill.																		
Pension Assets-6/11 \$8.0 bill.																		
Oblig. \$12.2 bill.																		
Pfd Stock \$1221 mill. Pfd Div'd \$233 mill.																		
(As of 6/30/11, ESOP owns 65,287,000 Class A shares and 60,849,000 Class B shares; both series are convertible into common stock.)																		
Common Stock 2,751,320,136 shares																		
MARKET CAP: \$181 billion (Large Cap)																		
CURRENT POSITION																		
	2010	2011	9/30/11															
Cash Assets	2879	2768	3582															
Receivables	5335	6275	6584															
Inventory (FIFO)	6384	7379	8001															
Other	4184	5548	4958															
Current Assets	18782	21970	23125															
Accts Payable	7251	8022	7290															
Debt Due	8472	9981	11476															
Other	8559	9290	9202															
Current Liab.	24282	27293	27968															

ANNUAL RATES																		
	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '14-'16															
of change (per sh)																		
Sales	6.5%	5.5%	7.0%															
"Cash Flow"	7.5%	8.0%	8.5%															
Earnings	9.5%	8.0%	10.0%															
Dividends	11.0%	11.5%	10.5%															
Book Value	19.0%	16.0%	8.0%															

QUARTERLY SALES (\$mill.) ^A																		
Fiscal Year Ends	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2008	20199	21575	20463	21266	21862	22627	23382	24137	24892	25647	26402	27157	27912	28667	29422	30177	30932	31687
2009	21582	20368	18417	18662	19417	20172	20927	21682	22437	23192	23947	24702	25457	26212	26967	27722	28477	29232
2010	19807	21027	19178	18926	19681	20436	21191	21946	22701	23456	24211	24966	25721	26476	27231	27986	28741	29496
2011	20122	21347	20230	20860	21515	22270	23025	23780	24535	25290	26045	26800	27555	28310	29065	29820	30575	31330
2012	21917	22273	21105	21805	22560	23315	24070	24825	25580	26335	27090	27845	28600	29355	30110	30865	31620	32375
EARNINGS PER SHARE ^{AB}																		
Fiscal Year Ends	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
2008	.92	.98	.82	.92	.98	1.04	1.10	1.16	1.22	1.28	1.34	1.40	1.46	1.52	1.58	1.64	1.70	1.76
2009	1.03	.94	.83	.78	.83	.90	.96	1.02	1.08	1.14	1.20	1.26	1.32	1.38	1.44	1.50	1.56	1.62
2010	.97	1.01	.83	.71	.83	.90	.96	1.02	1.08	1.14	1.20	1.26	1.32	1.38	1.44	1.50	1.56	1.62
2011	1.02	1.11	.96	.84	.96	1.04	1.12	1.20	1.28	1.36	1.44	1.52	1.60	1.68	1.76	1.84	1.92	2.00
2012	1.03	1.08	1.08	1.03	1.08	1.13	1.18	1.23	1.28	1.33	1.38	1.43	1.48	1.53	1.58	1.63	1.68	1.73
QUARTERLY DIVIDENDS PAID ^C																		
Cal-endar	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Mar.31	.31	.35	.40	.44	.48	.525	.570	.615	.660	.705	.750	.795	.840	.885	.930	.975	1.020	1.065
Jun.30	.35	.40	.44	.48	.525	.570	.615	.660	.705	.750	.795	.840	.885	.930	.975	1.020	1.065	1.110
Sep.30	.35	.40	.44	.48	.525	.570	.615	.660	.705	.750	.795	.840	.885	.930	.975	1.020	1.065	1.110
Dec.31	.35	.40	.44	.48	.525	.570	.615	.660	.705	.750	.795	.840	.885	.930	.975	1.020	1.065	1.110
Full Fiscal Year	1.36	1.55	1.72	1.89	2.06	2.23	2.40	2.57	2.74	2.91	3.08	3.25	3.42	3.59	3.76	3.93	4.10	4.27

Procter & Gamble will probably report lackluster results for the first half of fiscal 2012 (ends June 30th). Sales should be in the neighborhood of \$44.2 billion, up about 7% from a year earlier. Excluding the impact of items like acquisitions, divestitures, and currency translation, revenues were likely about 3% higher. Top-line growth has been broad-based, as all six of the consumer products maker's business are chipping in. The bottom-line story has been different, though, thus far in fiscal 2012. Share profits were probably down modestly for the first half, as operating margins remain under pressure. SG&A expenses were up markedly as a percentage of sales, due to hefty outlays for marketing initiatives related to international expansion plans. Higher commodity costs are also taking a toll on income.

We still look for things to get better in the second half, though we have pared our estimates slightly. Full-year sales should approximate \$87.1 billion, down about \$1.4 billion from our previous target. Better pricing, resulting from hikes necessitated by commodity cost inflation,

as well as decent volume growth, ought to more than offset likely headwinds related to unfavorable product and geographic mixes. Share earnings will probably be \$4.22 in fiscal 2012, up 7% from a year earlier, though down \$0.04 from our previous estimate. Again, all of the gain is expected in the back half of the year, once productivity-improvement and cost-cutting initiatives are in full swing, product price hikes gain traction, and there is some relief on the raw materials front.

All told, not much has changed here. The business environment remains decent despite global economic softness, and prospects are solid. Shares of this blue chip held up remarkably well throughout the volatile trading activity that characterized much of calendar 2011. In fact, the stock is currently just off its 52-week high, and trading in a relatively narrow range.

We continue to recommend this untimely issue to most investors. Long-term capital appreciation potential is decent, the dividend yield is solid, and volatility is almost a nonissue. Thus, the risk-reward profile is excellent.

Erik A. Antonson December 30, 2011