

PROCTER & GAMBLE Co  
Form 10-Q  
January 20, 2017

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark one)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Quarterly Period Ended December 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

THE PROCTER & GAMBLE COMPANY  
(Exact name of registrant as specified in its charter)

Ohio 1-434 31-0411980  
(State of Incorporation) (Commission File Number) (I.R.S. Employer Identification Number)  
One Procter & Gamble Plaza, Cincinnati, Ohio 45202  
(Address of principal executive offices) (Zip Code)  
(513) 983-1100  
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

There were 2,556,477,220 shares of Common Stock outstanding as of December 31, 2016.



## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended December 31		Six Months Ended December 31	
	2016	2015	2016	2015
Amounts in millions except per share amounts				
NET SALES	\$16,856	\$16,915	\$33,374	\$33,442
Cost of products sold	8,298	8,460	16,400	16,612
Selling, general and administrative expense	4,683	4,602	9,328	9,209
OPERATING INCOME	3,875	3,853	7,646	7,621
Interest expense	122	143	253	283
Interest income	42	58	77	102
Other non-operating income/(loss), net	(539)	) 35	(476)	) 17
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3,256	3,803	6,994	7,457
Income taxes on continuing operations	695	898	1,558	1,775
NET EARNINGS FROM CONTINUING OPERATIONS	2,561	2,905	5,436	5,682
NET EARNINGS FROM DISCONTINUED OPERATIONS	5,335	323	5,217	181
NET EARNINGS	7,896	3,228	10,653	5,863
Less: Net earnings attributable to noncontrolling interests	21	22	64	56
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$7,875	\$3,206	\$10,589	\$5,807
BASIC NET EARNINGS PER COMMON SHARE: <sup>(1)</sup>				
Earnings from continuing operations	\$0.96	\$1.04	\$1.99	\$2.02
Earnings from discontinued operations	2.05	0.12	1.98	0.07
BASIC NET EARNINGS PER COMMON SHARE	3.01	1.16	3.97	2.09
DILUTED NET EARNINGS PER COMMON SHARE: <sup>(1)</sup>				
Earnings from continuing operations	\$0.93	\$1.01	\$1.93	\$1.97
Earnings from discontinued operations	1.95	0.11	1.88	0.06
DILUTED NET EARNINGS PER COMMON SHARE	2.88	1.12	3.81	2.03
DIVIDENDS PER COMMON SHARE	\$0.6695	\$0.6629	\$1.3390	\$1.3258
Diluted weighted average common shares outstanding	2,737.6	2,864.6	2,780.2	2,865.8

<sup>(1)</sup> Basic net earnings per share and Diluted net earnings per share are calculated on Net earnings attributable to Procter & Gamble.

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES  
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

	Three Months		Six Months Ended	
	Ended December	31	December	31
Amounts in millions	2016	2015	2016	2015
NET EARNINGS	\$7,896	\$3,228	\$10,653	\$5,863
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX				
Financial statement translation	(1,988 )	(955 )	(1,989 )	(1,978 )
Unrealized gains/(losses) on hedges	864	252	749	210
Unrealized gains/(losses) on investment securities	(55 )	(28 )	(68 )	(20 )
Unrealized gains/(losses) on defined benefit retirement plans	600	143	693	234
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	(579 )	(588 )	(615 )	(1,554 )
TOTAL COMPREHENSIVE INCOME/(LOSS)	7,317	2,640	10,038	4,309
Less: Total comprehensive income attributable to noncontrolling interests	21	22	64	56
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO PROCTER & GAMBLE	\$7,296	\$2,618		