

PROCTER & GAMBLE Co  
Form 10-Q  
October 25, 2016

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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 September 30, 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 2,675,992,524 shares of Common Stock outstanding as of September 30, 2016.



## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF EARNINGS

	Three Months Ended September 30	
Amounts in millions except per share amounts	2016	2015
NET SALES	\$16,518	\$16,527
Cost of products sold	8,102	8,152
Selling, general and administrative expense	4,645	4,607
OPERATING INCOME	3,771	3,768
Interest expense	131	140
Interest income	35	44
Other non-operating income/(loss), net	63	(18 )
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3,738	3,654
Income taxes on continuing operations	863	877
NET EARNINGS FROM CONTINUING OPERATIONS	2,875	2,777
NET EARNINGS/(LOSS) FROM DISCONTINUED OPERATIONS	(118 )	(142 )
NET EARNINGS	2,757	2,635
Less: Net earnings attributable to noncontrolling interests	43	34
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$2,714	\$2,601
BASIC NET EARNINGS PER COMMON SHARE: <sup>(1)</sup>		
Earnings from continuing operations	\$1.03	\$0.98
Earnings/(loss) from discontinued operations	(0.04 )	(0.05 )
BASIC NET EARNINGS PER COMMON SHARE	0.99	0.93
DILUTED NET EARNINGS PER COMMON SHARE: <sup>(1)</sup>		
Earnings from continuing operations	\$1.00	\$0.96
Earnings/(loss) from discontinued operations	(0.04 )	(0.05 )
DILUTED NET EARNINGS PER COMMON SHARE	0.96	0.91
DIVIDENDS PER COMMON SHARE	\$0.670	\$0.663
Diluted weighted average common shares outstanding	2,822.9	2,867.5
<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)

Amounts in millions	Three Months Ended	
	September 2016	September 2015
NET EARNINGS	\$2,757	\$2,635
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
Financial statement translation	(1 )	(1,023 )
Unrealized gains/(losses) on hedges	(115 )	(42 )
Unrealized gains/(losses) on investment securities	(13 )	8
Unrealized gains/(losses) on defined benefit retirement plans	93	91
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	(36 )	(966 )
TOTAL COMPREHENSIVE INCOME/(LOSS)	2,721	1,669
Less: Total comprehensive income attributable to noncontrolling interests	43	34
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO PROCTER & GAMBLE	\$2,678	\$1,635

See accompanying Notes to Consolidated Financial Statements.

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THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES  
 CONSOLIDATED BALANCE SHEETS

Amounts in millions	September 30, 2016	June 30, 2016
Assets		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,456	\$7,102
Restricted cash	1,870	—
Available-for-sale investment securities	6,615	6,246
Accounts receivable	4,713	4,373
INVENTORIES		
Materials and supplies	1,380	1,188
Work in process	549	563
Finished goods	3,070	2,965
Total inventories	4,999	4,716
Deferred income taxes	—	1,507
Prepaid expenses and other current assets	2,447	2,653
Current assets held for sale	7,071	7,185
TOTAL CURRENT ASSETS	35,171	33,782
PROPERTY, PLANT AND EQUIPMENT, NET	19,310	19,385
GOODWILL	44,458	44,350
TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET	24,429	24,527
OTHER NONCURRENT ASSETS	5,675	5,092
TOTAL ASSETS	\$ 129,043	\$127,136