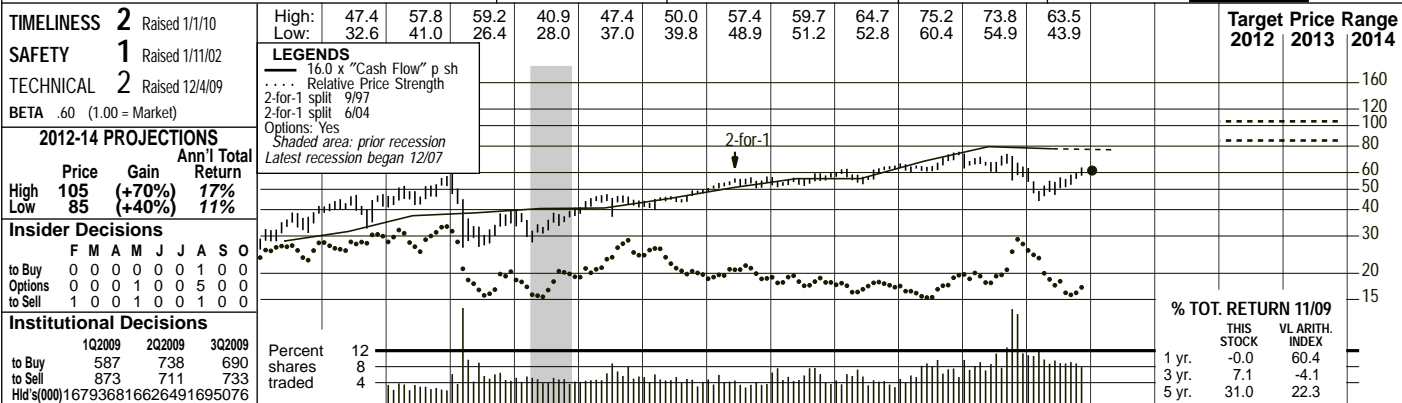


PROCTER & GAMBLE NYSE-PG

RECENT PRICE **61.30** P/E RATIO **16.6** (Trailing: 17.0; Median: 21.0) RELATIVE P/E RATIO **0.99** DIV'D YLD **2.9%** VALUE LINE



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
11.16	11.07	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	27.90	Sales per sh ^A	32.75
1.12	1.18	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	4.85	"Cash Flow" per sh	5.85
.71	.77	.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	3.60	3.70	Earnings per sh ^{A B F}	4.75
.28	.31	.35	.40	.45	.51	.57	.64	.70	.76	.82	.93	1.03	1.15	1.28	1.45	1.64	1.76	Div'ds Decl'd per sh ^C	1.95
.70	.67	.78	.79	.79	.96	1.07	1.16	.96	.65	.57	.80	.88	.84	.94	1.00	1.11	1.15	Cap'l Spending per sh	1.10
2.01	2.52	3.16	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	23.30	Book Value per sh ^D	26.00
2727.0	2737.4	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	2910.0	Common Shs Outst'g ^E	2900.0
17.8	17.5	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	16.4	Avg Ann'l P/E Ratio	20.0
1.05	1.15	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	1.15	1.15	Relative P/E Ratio	1.35
2.2%	2.3%	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%	2.8%	Avg Ann'l Div'd Yield	2.1%

CAPITAL STRUCTURE as of 9/30/09		2007	2008	9/30/09	BUSINESS: The Procter & Gamble Company makes detergents, soaps, toiletries, foods, paper, & industrial products. Brands include: Always, Head & Shoulders, Olay, Pantene, Wella, Actonel, Dawn, Downy, Tide, Bounty, Charmin, Pampers, Folgers, Iams, Pringles, Gillette, MACH3, Braun and Duracell. Acq. Gillette (10/05). Divested Folgers (6/09). U.S. sales accounted for 39% of total. Wal-Mart Stores accounted for 15% of total revenues. Beauty Care (33% of '09 sales), Health & Well Being (46%), Household products (21%). About 135,000 employed. '09 depr. rate: 8.4%. Off./dir. own. 4% of common stock (8/09 proxy). Pres./CEO: Robert A. McDonald, Inc.: OH. Address: 1 Procter & Gamble Plaza, Cincinnati, OH 45202. Telephone: 513-983-1100. Internet: www.pg.com.														
Total Debt	\$35,396 mill. Due in 5 Yrs	\$23,849 mill.			38125	39951	39244	40238	43377	51407	56741	68222	76476	83503	79029	81200	95000	Sales (\$mill) ^A	95000
LT Debt	\$22,439 mill.	LT Interest	\$1,280 mill.		23.2%	22.3%	22.6%	22.5%	23.3%	22.5%	21.7%	23.3%	24.3%	24.2%	24.3%	24.5%	24.5%	Operating Margin	24.5%
(LT interest earned: 12.3x; total interest coverage: 12.3x)		(24% of Cap'l)			2148.0	2191.0	2271.0	1693.0	1703.0	1733.0	1884.0	2627.0	3130.0	3166.0	3082.0	3200	3250	Depreciation (\$mill)	3250
Leases, Uncapitalized Annual Rentals		\$392 mill.			4148.0	4230.0	4397.0	5052.0	5731.0	6481.0	6923.0	8684.0	10340	12075	11293	10900	13775	Net Profit (\$mill)	13775
Pension Assets-6/09		\$3.14 bill.	Oblig.	\$5.22 bill.	34.0%	33.1%	32.0%	28.7%	29.0%	30.7%	30.5%	30.0%	29.7%	24.9%	26.3%	25.0%	25.0%	Income Tax Rate	25.0%
Pfd Stock		\$1324 mill.	Pfd Div'd	\$136.0 mill.	10.9%	10.6%	11.2%	12.6%	13.2%	12.6%	12.2%	12.7%	13.5%	14.5%	14.3%	13.4%	13.4%	Net Profit Margin	14.5%
(ESOP owns 84,739,000 Class A shares and 67,327,000 Class B shares; each A and B pfd. share is convertible into one common share.)					597.0	4.0	1043.0	6538.0	2682.0	6503.2	4471.0	4344.0	6686.6	6443.3	8896.6	1500	4200	Working Cap'l (\$mill)	4200
Common Stock		2,921,734,338 shs.			6231.0	8916.0	9792.0	11201	11475	12554	12887	35976	23375	23581	20652	22500	20000	Long-Term Debt (\$mill)	20000
MARKET CAP: \$179 billion (Large Cap)					12058	12287	12010	13706	16186	17278	17477	62908	66760	69494	63099	67820	75400	Shr. Equity (\$mill)	75400
CURRENT POSITION		2007	2008	9/30/09	23.9%	21.4%	21.9%	21.4%	21.5%	22.6%	23.7%	9.3%	12.1%	13.8%	14.3%	12.0%	12.0%	Return on Total Cap'l	14.5%
Cash Assets		5556	3581	6294	34.4%	34.4%	36.6%	36.9%	35.4%	37.5%	39.6%	13.8%	15.5%	17.4%	17.9%	16.0%	16.0%	Return on Shr. Equity	18.5%
Receivables		6629	6761	6239	24.5%	23.1%	23.8%	24.5%	23.9%	25.0%	26.2%	8.1%	9.4%	10.9%	10.1%	8.5%	8.5%	Retained to Com Eq	11.0%
Inventory (FIFO)		6819	8416	7050	39%	42%	44%	41%	39%	39%	39%	43%	41%	39%	45%	47%	47%	All Div'ds to Net Prof	41%
Other		5027	5757	4934	Shares of Procter & Gamble have continued to regain lost ground over the past few months. Indeed, this issue is now trading near the 52-week high and is ranked to outperform the broader market averages in the year ahead (Timeliness: 2). Management has been hard at work. And we think that recent efforts should help bolster near-term growth. Revenues and earnings should advance 3% in fiscal 2010 (years end June 30th). <i>Please note that our bottom-line estimate excludes the gain from the second-quarter sale of its pharmaceutical business.</i> Such initiatives include: • Internal restructuring efforts. Management relied on cost-savings programs over the past few quarters to widen operating margins. At the same time, P&G utilized restructuring efforts to improve overall efficiency. • Streamlining the portfolio. Last year, Procter sold <i>Folgers</i> . And in late summer, it exited from the global pharmaceuticals business. It has been using the proceeds from these sales to pay down long-term debt, fund the dividend, and for product innovation. The company may also decide to use free cash flow to help relaunch a share-repurchase program. • Capturing additional market share. Procter has focused on innovation to help improve and expand its current offerings. Last year, macroeconomic pressures caused many consumers to scale back discretionary purchases. Now, P&G may ramp up marketing campaigns and branding initiatives to regain its former customer base. The company will probably concentrate on developing its higher-margin categories. Too, the conglomerate may eye smaller tuck-in acquisitions to help lengthen its product roster. In addition to the vertical expansion, the company has looked overseas to widen its footprint. Emerging and developing countries have led to dynamic growth over the last few years. Nonetheless, some of the benefits may be slightly muted by an unfavorable currency exchange. At any rate, We look for healthy top- and bottom-line gains over the next 3 to 5 years. What's more, this blue chip offers worthwhile capital gains potential over the 2010-2014 time frame. <i>Orly Seidman</i> January 1, 2010														
Current Assets		24031	24515	24517															
Accts Payable		5710	6775	5581															
Debt Due		12039	13084	12957															
Other		12968	11099	10136															
Current Liab.		30717	30958	28674															

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '07-'09 to '12-'14
of change (per sh)	6.5%	8.5%	5.0%
Sales	8.5%	10.5%	4.5%
"Cash Flow"	10.5%	11.0%	7.0%
Earnings	11.0%	11.5%	6.0%
Dividends	19.0%	31.5%	4.0%
Book Value			

Fiscal Year Ends	QUARTERLY SALES (\$ mill.) ^A				Full Fiscal Year
	Sep.30	Dec.31	Mar.31	Jun.30	
2006	14793	18337	17250	17842	68222
2007	18785	19725	18694	19272	76476
2008	20199	21575	20463	21266	83503
2009	21582	20368	18417	18662	79029
2010	19807	20980	19650	20763	81200

Fiscal Year Ends	EARNINGS PER SHARE ^{A B F}				Full Fiscal Year
	Sep.30	Dec.31	Mar.31	Jun.30	
2006	.77	.72	.63	.55	2.64
2007	.79	.84	.74	.67	3.04
2008	.92	.98	.82	.92	3.64
2009	1.03	.94	.83	.80	3.60
2010	1.06	.95	.85	.84	3.70

Cal-endar	QUARTERLY DIVIDENDS PAID ^C				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.28	.31	.31	.31	1.21
2007	.31	.35	.35	.35	1.36
2008	.35	.40	.40	.40	1.55
2009	.40	.44	.44	.44	
2010					

(A) Fiscal year ends June 30th. (B) Based on avg. shares through '96, diluted thereafter. Excl. nonrecurring gains/(losses): '93, (98c); '99, (13c); '00, (24c); '01, (53c); '02, (25c); '03, (19c); '08, (12c); '09, (64c). Egs. may not sum due to changes in share count. Next earnings report due late Jan. (C) Dividends hist. paid in mid-Feb., May, Aug., and Nov. ■ Div'd reinvestment plan available. (D) Incl. intang. In '08: \$89.1 bill., \$3.05/sh. (E) In mill., adj. for splits. (F) Restructuring costs are incl. in op. expenses beginning in '04.

Company's Financial Strength A++
Stock's Price Stability 100
Price Growth Persistence 60
Earnings Predictability 100