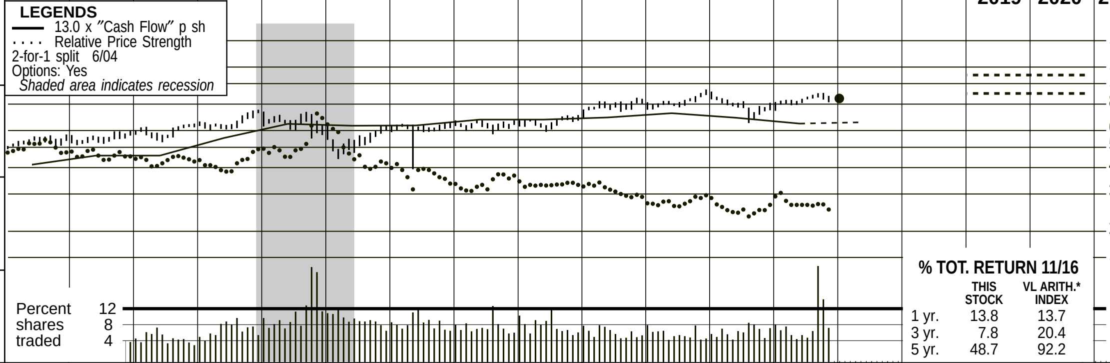
PROCTER & GAMBLE NYSE-PG

RECENT PRICE	85.18	P/E RATIO	22.1 (Trailing: 22.9; Median: 18.0)	RELATIVE P/E RATIO	1.11	DIV'D YLD	3.1%	VALUE LINE

TIMELINESS 1 Raised 11/4/16
SAFETY 1 Raised 1/11/02
TECHNICAL 1 Raised 12/16/16
BETA .70 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
High:	59.7	64.7	75.2	73.8	63.5	65.4	67.7	71.0	85.8	93.9	91.8	90.3
Low:	51.2	52.8	60.4	54.9	43.9	39.4	57.6	59.1	68.4	75.3	65.0	74.5

Target Price Range 2019 | 2020 | 2021



2019-21 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+30%)	10%
Low	90	(+5%)	5%

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	10	17	0	3	6	0	19	8	9
to Sell	10	6	0	7	1	0	17	2	0

Institutional Decisions

	1Q2016	2Q2016	3Q2016
to Buy	955	883	830
to Sell	841	900	981
Hld's(000)	1629584	1575630	1805490

% TOT. RETURN 11/16

	THIS STOCK	VL ARITH.* INDEX
1 yr.	13.8	13.7
3 yr.	7.8	20.4
5 yr.	48.7	92.2

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
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	30.69	30.64	28.10	24.47	25.00	Sales per sh A	31.75
2.41	2.53	2.55	2.82	3.18	3.51	3.51	4.25	4.97	4.86	4.87	5.21	5.20	5.33	5.57	5.31	4.97	5.05	"Cash Flow" per sh	7.40
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	4.05	4.22	4.02	3.67	3.85	Earnings per sh AB	6.15
.64	.70	.76	.82	.93	1.03	1.15	1.28	1.45	1.64	1.80	1.97	2.14	2.29	2.45	2.59	2.66	2.85	Div'ds Decl'd per sh C■	3.30
1.16	.96	.65	.57	.80	.88	.84	.94	1.00	1.11	1.08	1.20	1.44	1.46	1.42	1.38	1.24	1.40	Cap'l Spending per sh	1.45
4.04	3.98	4.64	5.63	6.19	6.47	19.33	20.87	22.46	21.18	21.20	24.14	22.87	24.64	25.40	22.83	21.34	23.00	Book Value per sh D	28.05
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	2742.3	2710.8	2714.5	2668.1	2635.0	Common Shs Outst'g E	2600.0
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	17.8	19.0	20.9	21.4		Avg Ann'l P/E Ratio	16.0
1.93	1.10	1.22	1.23	1.13	1.14	1.16	1.09	1.12	1.09	1.08	1.00	1.06	1.00	1.00	1.05	1.14		Relative P/E Ratio	1.00
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%	3.2%	3.1%	3.1%	3.4%		Avg Ann'l Div'd Yield	3.4%

2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		19-21
68222	76476	83503	79029	78938	82559	83680	84167	83062	76279	65299	65800	Sales ($mill) A	82550
23.3%	24.3%	24.2%	24.3%	24.2%	22.6%	22.6%	22.3%	23.7%	23.4%	26.2%	26.5%	Operating Margin	28.0%
2627.0	3130.0	3166.0	3082.0	3108.0	2838.0	3204.0	2982.0	3141.0	3134.0	3078.0	3185	Depreciation ($mill)	3250
8684.0	10340	12075	11293	10946	11797	11344	11869	12220	11535	10441	10175	Net Profit ($mill)	16000
30.0%	29.7%	24.9%	26.3%	27.3%	22.3%	24.2%	23.2%	23.5%	20.2%	24.6%	24.0%	Income Tax Rate	24.0%
12.7%	13.5%	14.5%	14.3%	13.9%	14.3%	13.6%	14.1%	14.7%	15.1%	16.0%	15.5%	Net Profit Margin	19.4%
4344.0	d6686	d6443	d8996	d5500	d5323	d2997	d6047	d2109	d144.0	3012.0	1800	Working Cap'l ($mill)	1500
35976	23375	23581	20652	21360	22033	21080	19111	19811	18329	18945	19000	Long-Term Debt ($mill)	19000
62908	66760	69494	63099	61439	68001	64035	68709	69976	63050	57983	60650	Shr. Equity ($mill)	72875
9.3%	12.1%	13.8%	14.3%	13.8%	13.5%	13.8%	13.9%	14.0%	14.6%	13.9%	13.0%	Return on Total Cap'l	17.5%
13.8%	15.5%	17.4%	17.9%	17.8%	17.3%	17.7%	17.3%	17.5%	18.3%	18.0%	17.0%	Return on Shr. Equity	22.0%
8.1%	9.4%	10.9%	10.1%	9.1%	9.0%	8.3%	7.9%	7.7%	6.9%	5.3%	4.5%	Retained to Com Eq	10.0%
43%	41%	39%	45%	50%	49%	54%	55%	57%	63%	71%	74%	All Div'ds to Net Prof	54%

CAPITAL STRUCTURE as of 9/30/16
Total Debt $34.255 bill. **Due in 5 Yrs** $20.00 bill.
LT Debt $18.910 bill. **LT Interest** $4.65 bill.
(Tot. Int. Coverage: 24.3x)
(55% of Tot. Cap'l)
Leases, Uncapitalized Annual Rentals $259 mill.
Pension Assets-6/16 $10.3 bill. **Oblig.** $17.3 bill.
Pfd Stock $1.1 bill. **Pfd Div'd** $63 mill.
(ESOP owns 49,3 mill Class A shares and 57.2 mill Class B shares; convertible into common stock.)
Common Stock 2,675,992,524 shares

MARKET CAP: $228 billion (Large Cap)

CURRENT POSITION ($MILL.)	2015	2016	9/30/16
Cash Assets	11612	13348	15941
Receivables	4861	4373	4713
Inventory (FIFO)	5454	4716	4999
Other	7719	11345	9518
Current Assets	29646	33782	35171
Accts Payable	8257	9325	9024
Debt Due	12021	11653	15345
Other	9512	9792	8032
Current Liab.	29790	30770	32401

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '19-'21
Sales	2.5%	-.5%	2.5%
"Cash Flow"	4.5%	1.0%	7.0%
Earnings	4.5%	1.5%	9.0%
Dividends	9.5%	7.5%	5.0%
Book Value	8.0%	1.0%	4.0%

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2013	20739	22175	20598	20655	84167
2014	20830	21897	20178	20157	83062
2015	20186	20161	18142	17790	76279
2016	16527	16915	15755	16102	65299
2017	16518	16975	16020	16287	65800

Fiscal Year Ends	EARNINGS PER SHARE AB Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2013	1.06	1.22	.99	.79	4.05
2014	1.05	1.20	1.02	.95	4.22
2015	1.04	1.06	.92	1.00	4.02
2016	.98	1.04	.86	.79	3.67
2017	1.03	1.05	.95	.82	3.85

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.525	.562	.562	.562	2.21
2013	.562	.602	.602	.602	2.37
2014	.602	.644	.644	.644	2.53
2015	.644	.663	.663	.663	2.63
2016	.663	.67	.67	.67	

BUSINESS: The Procter & Gamble Company makes branded consumer packaged goods, which are marketed and sold in more than 180 countries around the world. Has five reportable segments: Beauty/Hair/Personal care (18% of fiscal 2016 sales); Grooming (11%); Health Care (11%); Fabric Care & Home Care (32%); Baby, Feminine & Family Care (28%). International sales accounted for 59% of fiscal 2016 sales and Wal-Mart Stores accounted for 15%. Div. battery business in 2/16. Has 105,000 employees. Off. & dir. own less than 1% of stock; BlackRock, 5.8%; Vanguard, 6.3% (8/16 proxy). Chairman: A. G. Lafley. President/CEO: David S. Taylor. Inc.: Ohio. Address: 1 Procter & Gamble Plaza, Cincinnati, Ohio 45202. Tel.: 513-983-1100. Internet: www.pg.com.

Procter & Gamble's bottom line should begin to rebound this year. The company began fiscal 2017 on a better-than-expected note (year began July 1st). Even though revenues made very little progress in the September quarter, share earnings increased 5% year to year. And we expect a similar pattern for the full year. Indeed, the unfavorable foreign currency exchange environment, lost sales from its Venezuelan subsidiary, recent divestitures and management's outlook for a "relatively slow growth volatile world" will likely hinder top-line growth in the near term. Nevertheless, P&G's ongoing restructuring efforts and business investments should widen margins and spur profitability in the coming months. Thus, we look for the bottom line to recover about 5% for the full year.

Management has been hard at work. The company will likely focus on adjusting to its slimmed-down portfolio. In the last few months, P&G exited the battery business and sold its Beauty brands. Moving forward, it will likely continue to rely on productivity improvements and cost-cutting measures to offset headwinds from input expenses and currency translation rates. What's more,

P&G will likely try to widen its footprint. Brand-building efforts ought to remain a key priority. And it will probably invest in research & development and product innovation to maintain its market position. Too, the company will likely ramp up its marketing campaign to help gain shelf space.

The company has been increasing shareholder returns. The board of directors will probably continue to allocate resources to buying back shares or to increase the quarterly payout. Indeed, this equity's current dividend yield is comfortably above the *Value Line* median.

These shares offer good, conservative appeal. The blue chip earns our Highest scores for Safety (1) and Financial Strength (A++). Further, the company's defensive characteristics will likely tempt investors seeking more-stable equities. But even though the issue is favorably ranked for the year ahead, much of the good news we foresee over the long haul is already baked into the recent quotation.

Orly Seidman *December 23, 2016*

(A) Fiscal years end June 30th. (B) Diluted core earnings. Excludes nonrecurring: '00, (24¢); '01, (53¢); '02, (25¢); '03, (19¢); '08, (12¢); '09, (64¢); '10, 58¢; '11, (61¢); '12, (73¢); '13, d19¢; '14, d21¢. EPS may not sum. Next earnings report due late January. (C) Dividends historically paid in Feb., May, Aug., and Nov. ■ DRIP available. (D) Includes intangibles. In '15: $74.1 bill., $27.30 a share. (E) In millions, adjusted for split.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	100