

PROCTER & GAMBLE Co
Form 10-Q
October 23, 2015

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, 2015

OR

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

For the transition period from _____ to _____

Commission file number 1-434

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

Ohio
(State of Incorporation)
One Procter & Gamble Plaza, Cincinnati, Ohio
(Address of principal executive offices)
(513) 983-1100
(Registrant's telephone number, including area code)

31-0411980
(I.R.S. Employer Identification Number)
45202
(Zip 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 Web site, 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 2,720,572,743 shares of Common Stock outstanding as of September 30, 2015.

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	2015	2014
NET SALES	\$16,527	\$18,771
Cost of products sold	8,152	9,734
Selling, general and administrative expense	4,607	5,404
OPERATING INCOME	3,768	3,633
Interest expense	140	170
Interest income	44	31
Other non-operating income/(loss), net	(18)) 13
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3,654	3,507
Income taxes on continuing operations	877	791
NET EARNINGS FROM CONTINUING OPERATIONS	2,777	2,716
NET EARNINGS/(LOSS) FROM DISCONTINUED OPERATIONS	(142)) (696)
NET EARNINGS	2,635	2,020
Less: Net earnings attributable to noncontrolling interests	34	30
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$2,601	\$1,990
BASIC NET EARNINGS PER COMMON SHARE: ⁽¹⁾		
Earnings from continuing operations	\$0.98	\$0.97
Earnings/(loss) from discontinued operations	(0.05)) (0.26)
BASIC NET EARNINGS PER COMMON SHARE	0.93	0.71
DILUTED NET EARNINGS PER COMMON SHARE: ⁽¹⁾		
Earnings from continuing operations	\$0.96	\$0.93
Earnings/(loss) from discontinued operations	(0.05)) (0.24)
DILUTED NET EARNINGS PER COMMON SHARE	0.91	0.69
DIVIDENDS PER COMMON SHARE	\$0.663	\$0.644
Diluted Weighted Average Common Shares Outstanding	2,867.5	2,888.0

⁽¹⁾ 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 30	
	2015	2014
NET EARNINGS	\$2,635	\$2,020
OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX		
Financial statement translation	(1,023)	(2,836)
Unrealized gains/(losses) on hedges	(42)	408
Unrealized gains/(losses) on investment securities	8	(3)
Unrealized gains/(losses) on defined benefit retirement plans	91	282
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS), NET OF TAX	(966)	(2,149)
TOTAL COMPREHENSIVE INCOME/(LOSS)	1,669	(129)
Less: Total comprehensive income attributable to noncontrolling interests	34	12
TOTAL COMPREHENSIVE INCOME/(LOSS) ATTRIBUTABLE TO PROCTER & GAMBLE	\$1,635	\$(141)

See accompanying Notes to Consolidated Financial Statements.

THE PROCTER & GAMBLE COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

Amounts in millions	September 30, 2015	June 30, 2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$7,705	\$6,836
Available-for-sale investment securities	4,901	4,767
Accounts receivable	4,724	4,568
INVENTORIES		
Materials and supplies	1,381	1,266
Work in process	549	525
Finished goods	3,309	3,188
Total inventories	5,239	4,979
Deferred income taxes	1,334	1,356
Prepaid expenses and other current assets	2,357	2,708
Assets held for sale	9,360	4,432
TOTAL CURRENT ASSETS	35,620	29,646
PROPERTY, PLANT AND EQUIPMENT, NET	19,081	19,655
GOODWILL	44,612	44,622
TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET	24,715	25,010
NONCURRENT ASSETS HELD FOR SALE	—	5,204
OTHER NONCURRENT ASSETS	5,237	5,358
TOTAL ASSETS	\$129,265	\$129,495

LIABILITIES AND SHAREHOLDERS' EQUITY