

PROCTER & GAMBLE Co  
Form 10-Q  
October 24, 2014

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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, 2014

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)

31-0411980  
(I.R.S. Employer Identification Number)

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

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).

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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 2,702,118,733 shares of Common Stock outstanding as of September 30, 2014.

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## 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	2014	2013
NET SALES	\$20,792	\$20,830
Cost of products sold	10,552	10,574
Selling, general and administrative expense	6,327	6,136
Goodwill and indefinite-lived intangible asset impairment charges	973	—
OPERATING INCOME	2,940	4,120
Interest expense	169	165
Interest income	31	21
Other non-operating income, net	21	5
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	2,823	3,981
Income taxes on continuing operations	820	942
NET EARNINGS FROM CONTINUING OPERATIONS	2,003	3,039
NET EARNINGS FROM DISCONTINUED OPERATIONS	17	18
NET EARNINGS	2,020	3,057
Less: Net earnings attributable to noncontrolling interests	30	30
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$ 1,990	\$3,027
BASIC NET EARNINGS PER COMMON SHARE <sup>(1)</sup> :		
Earnings from continuing operations	\$0.70	\$1.08
Earnings from discontinued operations	0.01	0.01
BASIC NET EARNINGS PER COMMON SHARE	0.71	1.09
DILUTED NET EARNINGS PER COMMON SHARE <sup>(1)</sup> :		
Earnings from continuing operations	0.68	1.03
Earnings from discontinued operations	0.01	0.01
DILUTED NET EARNINGS PER COMMON SHARE	\$0.69	\$1.04
DIVIDENDS PER COMMON SHARE	\$0.644	\$0.602
Diluted Weighted Average Common Shares Outstanding	2,888.0	2,924.3

(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	
	2014	2013
NET EARNINGS	\$2,020	\$3,057
OTHER COMPREHENSIVE INCOME / (LOSS), NET OF TAX		
Financial statement translation	(2,836 )	1,049
Hedges	408	(239 )
Investment securities	(3 )	14
Defined benefit retirement plans	282	(56 )
TOTAL OTHER COMPREHENSIVE INCOME / (LOSS), NET OF TAX	(2,149 )	768
TOTAL COMPREHENSIVE INCOME / (LOSS)	(129 )	3,825
Less: Total comprehensive income attributable to noncontrolling interests	12	35
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO PROCTER & GAMBLE	\$(141 )	\$3,790

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, 2014	June 30, 2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 7,486	\$8,558
Available-for-sale investment securities	3,360	2,128
Accounts receivable	6,197	6,386
Inventories		
Materials and supplies	1,829	1,742
Work in process	739	684
Finished goods	4,532	4,333
Total inventories	7,100	6,759
Deferred income taxes	916	1,092
Prepaid expenses and other current assets	3,914	3,845
Assets held for sale	134	2,849
<b>TOTAL CURRENT ASSETS</b>	<b>29,107</b>	<b>31,617</b>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<b>21,799</b>	<b>22,304</b>
<b>GOODWILL</b>	<b>51,361</b>	<b>53,704</b>
<b>TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET</b>	<b>30,210</b>	<b>30,843</b>
<b>OTHER NONCURRENT ASSETS</b>	<b>5,706</b>	<b>5,798</b>
<b>TOTAL ASSETS</b>	<b>\$ 138,183</b>	<b>\$ 144,266</b>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		