

PROCTER & GAMBLE Co
Form 424B5
August 09, 2012
Table of Contents

Filed Pursuant Rule 424(b)(5)

Registration No. 333-177762

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities and they are not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is unlawful or not permitted.

Subject to Completion, Dated August 9, 2012

Prospectus Supplement to Prospectus dated November 4, 2011

The Procter & Gamble Company

% Notes due

The notes will mature on . Interest on the notes will accrue from , 2012. The first interest payment date for the notes will be , 2013. The notes will not be redeemable prior to maturity unless certain events occur involving United States taxation.

See Risk Factors beginning on page S-3 to read about important factors you should consider before buying the notes.

Application will be made for the notes to be listed on the New York Stock Exchange. The listing application will be subject to approval by the New York Stock Exchange. If such a listing is obtained, we have no obligation to maintain such listing and we may delist the notes at any time.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Edgar Filing: PROCTER & GAMBLE Co - Form 424B5

	Per Note	Total
Public offering price	%	
Underwriting discount	%	
Proceeds, before expenses, to us	%	

The initial public offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from _____, 2012 and must be paid by the purchasers if the notes are delivered after _____, 2012.

The underwriters expect to deliver the notes to investors in book-entry form only through the facilities of Clearstream, _____ *société anonyme*, and Euroclear Bank S.A./N.V. as operator of the Euroclear System, on or about _____, 2012.

Joint Book-Running Managers

Deutsche Bank

HSBC
Prospectus Supplement dated _____, 2012

Morgan Stanley

Table of Contents

TABLE OF CONTENTS

Prospectus Supplement

	Page
<u>About This Prospectus Supplement</u>	S-1
<u>The Company</u>	S-2
<u>Risk Factors</u>	S-3
<u>Summary Consolidated Financial Information</u>	S-9
<u>Consolidated Ratio of Earnings to Fixed Charges</u>	S-10
<u>Capitalization</u>	S-11
<u>Description of the Notes</u>	S-12
<u>Taxation</u>	S-21
<u>Underwriting</u>	S-29
<u>Validity of the Notes</u>	S-32
<u>Available Information</u>	S-32
<u>Incorporation of Documents by Reference</u>	S-32

Prospectus

The Procter & Gamble Company	1
Procter & Gamble International Funding SCA	1
Forward-Looking Statements	2
Use of Proceeds	3
Consolidated Ratio of Earnings to Fixed Charges	4
Description of Procter & Gamble Debt Securities	5
Description of PGIF Debt Securities	13
Plan of Distribution	24
Legal Opinions	26
Experts	26
Where You Can Find More Information	26

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement, or the information incorporated by reference in this prospectus supplement, may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement, or the information incorporated by reference in this prospectus supplement, is inconsistent with the accompanying prospectus, this prospectus supplement, or the information incorporated by reference in this prospectus supplement, will apply and will supersede that information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to in **Incorporation of Documents by Reference** in this prospectus supplement.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus, nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus supplement or the accompanying prospectus, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe to or purchase, any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See **Underwriting**.

Unless otherwise specified, all references in this prospectus supplement to: (a) Procter & Gamble, P&G, the Company, we, us, and are to The Procter & Gamble Company and its subsidiaries; (b) fiscal followed by a specific year are to our fiscal year ended or ending June 30 of that year; (c) U.S. dollars, dollars, U.S. \$ or \$ are to the currency of the United States of America; and (d) euros or a single currency introduced in January 1999 pursuant to the Treaty establishing the European Community, as amended.

In connection with this issue and distribution of the notes, Deutsche Bank AG, London Branch (the **Stabilizing Manager**) (or persons acting on behalf of the **Stabilizing Manager**) for its own account and at its discretion may, as principal and not as agent for the Company, over-allot notes or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the **Stabilizing Manager** (or persons acting on behalf of the **Stabilizing Manager**) will undertake stabilization action. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the notes and 60 days after the date of the allotment of the notes. Any stabilization action or over-allotment shall be conducted in accordance with all applicable laws and rules.

Table of Contents

THE COMPANY

The Procter & Gamble Company was incorporated in Ohio in 1905, having been built from a business founded in 1837 by William Procter and James Gamble. Today, we manufacture and market a broad range of consumer products in many countries throughout the world. Our principal executive offices are located at One Procter & Gamble Plaza, Cincinnati, Ohio 45202, and our telephone number is (513) 983-1100.

In the United States, as of June 30, 2012, we owned and operated 33 manufacturing facilities. These facilities were located in 21 different states or territories. In addition, we owned and operated 103 manufacturing facilities in 41 other countries. Many of the domestic and international facilities produced products for multiple businesses.

S-2

Table of Contents

RISK FACTORS

We discuss our expectations regarding future performance, events and outcomes, such as our business outlook and objectives in this document, as well as in our annual report, quarterly reports, current reports on Form 8-K, press releases and other written and oral communications. All statements, except for historical and present factual information, are forward-looking statements and are based on financial data and business plans available only as of the time the statements are made, which may become out of date or incomplete. We assume no obligation to update any forward-looking statements as a result of new information, future events, or other factors. Forward-looking statements are inherently uncertain, and investors must recognize that events could significantly differ from our expectations.

The following discussion of risk factors identifies the most significant factors that may adversely affect our business, operations, financial position or future financial performance. This information should be read in conjunction with Management's Discussion and Analysis and the consolidated financial statements and related notes included in our annual report, quarterly reports and current reports on Form 8-K which are incorporated by reference into this document. The following discussion of risks is not all inclusive but is designed to highlight what we believe are important factors to consider when evaluating our expectations. These factors could cause our future results to differ from those in the forward-looking statements and from historical trends.

A material change in consumer demand for our products could have a significant impact on our business.

We are a consumer products company and rely on continued global demand for our brands and products. To achieve business goals, we must develop and sell products that appeal to consumers. This is dependent on a number of factors including our ability to develop effective sales, advertising and marketing programs. We expect to achieve our financial targets, in part, by shifting our portfolio towards faster growing, higher margin businesses and by focusing on the most profitable businesses, biggest innovations and most important emerging markets. We expect to achieve our financial targets, in part, by achieving disproportionate growth in developing regions. If demand for our products and/or market growth rates in either developed or developing markets fall substantially below expected levels or our market share declines significantly in these businesses, our volume, and consequently our results, could be negatively impacted. This could occur due to, among other things, unforeseen negative economic or political events, changes in consumer trends and habits, or negative consumer responses to pricing actions.

The ability to achieve our business objectives is dependent on how well we can compete with our local and global competitors in new and existing markets and channels.

The consumer products industry is highly competitive. Across all of our categories, we compete against a wide variety of global and local competitors. As a result, there are ongoing competitive pressures in the environments in which we operate, as well as challenges in maintaining profit margins. This includes, among other things, increasing competition from mid- and lower-tier value products in both developed and developing markets. To address these challenges, we must be able to successfully respond to competitive factors, including pricing, promotional incentives and trade terms. In addition, the emergence of new sales channels, such as sales made through the Internet directly to consumers, may affect customer and consumer preferences, as well as market dynamics. Failure to effectively compete in these new channels could negatively impact results.

Our ability to meet our growth targets depends on successful product and operations innovation and our ability to successfully respond to competitive innovation.

Achieving our business results depends, in part, on the successful development, introduction and marketing of new products and improvements to our equipment and manufacturing processes. Successful innovation depends on our ability to correctly anticipate customer and consumer acceptance,

Table of Contents

to obtain and maintain necessary intellectual property protections, and to avoid infringing the intellectual property rights of others. We must also be able to successfully respond to technological advances by and intellectual property rights granted to competition, and failure to do so could compromise our competitive position and impact our results.

Our businesses face cost fluctuations and pressures which could affect our business results.

Our costs are subject to fluctuations, particularly due to changes in commodity prices, raw materials, labor costs, energy costs, pension and healthcare costs, foreign exchange and interest rates. Therefore, our success is dependent, in part, on our continued ability to forecast and manage these fluctuations through pricing actions, cost savings projects (including outsourcing projects) and sourcing decisions, while maintaining and improving margins and market share. In addition, our financial projections include cost savings described in our announced productivity plan. Failure to deliver these savings could adversely impact our results.

There are risks inherent in global manufacturing which could negatively impact our business results.

In the manufacturing and general overhead areas, we need to maintain key manufacturing and supply arrangements, including any key sole supplier and sole manufacturing plant arrangements, to achieve our targets on cost. While we have business continuity and contingency plans for key manufacturing sites and the supply of raw materials, significant disruption of manufacturing, such as labor disputes, loss or impairment of key manufacturing sites, natural disasters, acts of war or terrorism, and other external factors over which we have no control, could interrupt product supply and, if not remedied, have an adverse impact on our business.

We face risks associated with having significant international operations.

We are a global company, with manufacturing operations in more than 40 countries, and a significant portion of our revenue is outside the U.S. Our international operations are subject to a number of risks, including, but not limited to:

compliance with U.S. laws affecting operations outside of the United States, such as the Foreign Corrupt Practices Act;

compliance with a variety of local regulations and laws;

changes in tax laws and the interpretation of those laws;

sudden changes in foreign currency exchange controls;

discriminatory or conflicting fiscal policies;

difficulties enforcing intellectual property and contractual rights in certain jurisdictions;

greater risk of uncollectible accounts and longer collection cycles;

effective and immediate implementation of control environment processes across our diverse operations and employee base; and

imposition of more or new tariffs, quotas, trade barriers and similar restrictions on our sales outside the United States.

Edgar Filing: PROCTER & GAMBLE Co - Form 424B5

We have sizable businesses and maintain local currency cash balances in a number of foreign countries with exchange controls, including, but not limited to, Venezuela, China and India. In addition,

S-4

Table of Contents

some countries where we have businesses, such as Argentina, have introduced import restrictions. Our results of operations and/or financial condition could be adversely impacted if we are unable to successfully manage these and other risks of international operations in an increasingly volatile environment.

Fluctuations in exchange rates may have an adverse impact on our business results or financial condition.

We hold assets and incur liabilities, earn revenues and pay expenses in a variety of currencies other than the U.S. dollar. Because our consolidated financial statements are presented in U.S. dollars, the financial statements of our subsidiaries outside the United States are translated into U.S. dollars. Our operations outside of the U.S. generate a significant portion of our net revenue. Fluctuations in exchange rates may therefore adversely impact our business results or financial condition. See also the Financial Condition and Results of Operations section of Management's Discussion and Analysis and Note 5 to our consolidated financial statements included in our annual report which is incorporated by reference into this document.

We face risks related to changes in the global and political economic environment, including the global capital and credit markets.

Our business is impacted by global economic conditions, which have recently been volatile. Our products are sold in more than 180 countries around the world. If the global economy experiences significant disruptions, our business could be negatively impacted by reduced demand for our products related to a slow-down in the general economy, supplier or customer disruptions resulting from tighter credit markets, temporary interruptions in our ability to conduct day-to-day transactions through our financial intermediaries involving the payment to or collection of funds from our customers, vendors and suppliers and/or liquidity issues resulting from an inability to access credit markets to obtain cash to support operations.

Our objective is to maintain credit ratings that provide us with ready access to global capital and credit markets. Any downgrade of our current credit ratings by a credit rating agency could increase our future borrowing costs and impair our ability to access capital and credit markets on terms commercially acceptable to us.

We could also be negatively impacted by political crises in individual countries or regions, including sovereign risk related to a deterioration in the credit worthiness or a default by local governments. For example, we could be adversely impacted by continued instability in the banking and governmental sectors of certain countries in the European Union such as Greece, or the negative impact on economic growth resulting from the combination of federal income tax increases and government spending restrictions potentially occurring at the end of calendar year 2012 in the United States (commonly referred to as the "fiscal cliff").

Consequently, our success will depend, in part, on our ability to manage continued global and/or economic uncertainty, especially in our significant geographical markets, as well as any political or economic disruption. These risks could negatively impact our overall liquidity and financing and borrowing costs, as well as our ability to collect receipts due from governments, including refunds of value added taxes, and/or create significant credit risks relative to our local customers and depository institutions.

If the reputation of the Company or one or more of our brands erodes significantly, it could have a material impact on our financial results.

The Company's reputation is the foundation of our relationships with key stakeholders and other constituencies, such as customers and suppliers. In addition, many of our brands have worldwide recognition. This recognition is the result of the large investments we have made in our products over many years. The quality and safety of our products is critical to our business. Our Company also devotes significant time and resources to programs designed to protect and preserve our reputation, such as

Table of Contents

social responsibility and environmental sustainability. If we are unable to effectively manage real or perceived issues, including concerns about safety, quality, efficacy, or similar matters, these issues could negatively impact sentiments toward the Company or our products, our ability to operate freely could be impaired and our financial results could suffer. Our financial success is directly dependent on the success of our brands, and the success of these brands can suffer if our marketing plans or product initiatives do not have the desired impact on a brand's image or its ability to attract consumers. Our results could also be negatively impacted if one of our brands suffers a substantial impediment to its reputation due to a significant product recall, product-related litigation, allegations of product tampering, or the distribution and sale of counterfeit products. In addition, given the association of our individual products with the Company, an issue with one of our products could negatively affect the reputation of our other products, or the Company as a whole, thereby potentially hurting results.

Our ability to successfully manage ongoing organizational change could impact our business results.

We have executed a number of significant business and organizational changes including acquisitions, divestitures and workforce optimization projects to support our growth strategies. We expect these types of changes to continue for the foreseeable future. Successfully managing these changes, including retention of key employees, is critical to our business success. Further, ongoing business and organizational changes are likely to result in more reliance on third parties for various services, and that reliance may increase reputational, operational, and compliance risks, including the risk of corruption. We are generally a build-from-within company, and our success is dependent on identifying, developing and retaining key employees to provide uninterrupted leadership and direction for our business. This includes developing organization capabilities in key growth markets where the depth of skilled employees is limited and competition for these resources is intense. Finally, our financial targets assume a consistent level of productivity improvement. If we are unable to deliver expected productivity improvements, while continuing to invest in business growth, our financial results could be adversely impacted.

Our ability to successfully manage ongoing acquisition, joint venture, and divestiture activities could impact our business results.

As a company that manages a portfolio of consumer brands, our ongoing business model involves a certain level of acquisition, joint venture and divestiture activities. We must be able to successfully manage the impacts of these activities, while at the same time delivering against our business objectives. Specifically, our financial results could be adversely impacted if: 1) we are not able to deliver the expected cost and growth synergies associated with our acquisitions and joint ventures, 2) changes in the cash flows or other market-based assumptions cause the value of acquired assets to fall below book value, or 3) we are unable to offset the dilutive impacts from the loss of revenue associated with divested brands. Additionally, joint ventures inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational, and/or compliance risks associated with each joint venture we enter into.

Our business is subject to changes in legislation, regulation and enforcement, and our ability to manage and resolve pending legal matters in the United States and abroad.

Changes in laws, regulations and related interpretations, including changes in accounting standards, taxation requirements and increased enforcement actions and penalties may alter the environment in which we do business. As a U.S. based multinational company we are subject to tax regulations in the United States and multiple foreign jurisdictions, some of which are interdependent. For example, certain income that is earned and taxed in countries outside the United States is not taxed in the United States, provided those earnings are indefinitely reinvested outside the United States. If these or other tax regulations should change, our financial results could be impacted.

In addition, our ability to manage regulatory, environmental, tax and legal matters (including product liability, patent, and other intellectual property matters), and to resolve pending legal matters without significant liability may materially impact our results of operations and financial position. Furthermore, if

Table of Contents

pending legal matters, including the competition law and antitrust investigations described in our Annual Report on Form 10-K, result in fines or costs in excess of the amounts accrued to date, that could materially impact our results of operations and financial position.

There are increasing calls in the United States from members of leadership in both major U.S. political parties for comprehensive tax reform which may significantly change the income tax rules that are applicable to U.S. domiciled corporations, such as P&G. It is very difficult to assess whether the overall effect of such potential legislation would be cumulatively positive or negative for P&G's earnings and cash flows.

A material change in customer relationships or in customer demand for our products could have a significant impact on our business.

We sell most of our products via retail customers, which consist of mass merchandisers, grocery stores, club stores, drug stores and high-frequency stores. Our success is dependent on our ability to successfully manage relationships with our retail trade customers. This includes our ability to offer trade terms that are acceptable to our customers and are aligned with our pricing and profitability targets. Our business could suffer if we cannot reach agreement with a key customer based on our trade terms and principles. Our business would be negatively impacted if a key customer were to significantly reduce the range or inventory level of our products. Consolidation among our retail customers could create significant cost and margin pressure and lead to more complex work across broader geographic boundaries for both us and our key retailers. This would be particularly challenging if major customers are addressing local trade pressures, local law and regulation changes, or financial distress.

A failure of one or more key information technology systems, networks, processes, associated sites or service providers could have a material adverse impact on our business or reputation.

We rely extensively on information technology (IT) systems, networks, and services, including internet sites, data hosting and processing facilities and tools, and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third-parties or their vendors, to assist in conducting our business. The various uses of these IT systems, networks, and services include, but are not limited to:

ordering and managing materials from suppliers;

converting materials to finished products;

shipping product to customers;

marketing and selling products to consumers;

collecting and storing customer, consumer, employee, investor, and other stakeholder information and personal data;

processing transactions;

summarizing and reporting results of operations;

hosting, processing, and sharing confidential and proprietary research, business plans, and financial information;

complying with regulatory, legal or tax requirements;

providing data security; and

S-7

Table of Contents

handling other processes necessary to manage our business.

Increased IT security threats and more sophisticated computer crime, including advanced persistent threats, pose a potential risk to the security of our IT systems, networks, and services, as well as the confidentiality, availability, and integrity of our data. If the IT systems, networks, or service providers we rely upon fail to function properly, or if we suffer a loss or disclosure of business or stakeholder information, due to any number of causes, ranging from catastrophic events to power outages to security breaches, and our business continuity plans do not effectively address these failures on a timely basis, we may suffer interruptions in our ability to manage operations and reputational, competitive and/or business harm, which may adversely impact our results of operations and/or financial condition.

Table of Contents**SUMMARY CONSOLIDATED FINANCIAL INFORMATION**

The following summary consolidated financial information as of June 30, 2012 and June 30, 2011 and for the fiscal years ended June 30, 2012 and June 30, 2011 has been derived from our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2012.

	Year Ended June 30,	
	2012	2011
	(Amounts in Millions Except Per Share Amounts)	
NET SALES	\$ 83,680	\$ 81,104
Cost of products sold	42,391	39,859
Selling, general and administrative expense	26,421	25,750
Goodwill and indefinite lived intangibles impairment charges	1,576	0
OPERATING INCOME	13,292	15,495
Interest expense	769	831
Other non-operating income/(expense), net	262	333
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	12,785	14,997
Income taxes on continuing operations	3,468	3,299
NET EARNINGS FROM CONTINUING OPERATIONS	9,317	11,698
NET EARNINGS FROM DISCONTINUED OPERATIONS	1,587	229
NET EARNINGS	10,904	11,927
Less: Net earnings attributable to noncontrolling interests	148	130
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	\$ 10,756	\$ 11,797
PER COMMON SHARE:		
Basic net earnings from continuing operations(1)	\$ 3.24	\$ 4.04
Basic net earnings from discontinued operations(1)	\$ 0.58	\$ 0.08
Basic net earnings(1)	\$ 3.82	\$ 4.12
Diluted net earnings from continuing operations(1)	\$ 3.12	\$ 3.85
Diluted net earnings from discontinued operations(1)	\$ 0.54	\$ 0.08
Diluted net earnings(1)	\$ 3.66	\$ 3.93
Dividends	\$ 2.14	\$ 1.97
DILUTED WEIGHTED AVERAGE COMMON SHARES OUTSTANDING	2,941.2	3,001.9

(1) Basic net earnings per share and diluted net earnings per share are calculated on net earnings attributable to Procter & Gamble.

	As of June 30, 2012	As of June 30, 2011
	(Amounts in Millions)	
WORKING CAPITAL	\$ (2,997)	\$ (5,323)
TOTAL ASSETS	\$ 132,244	\$ 138,354
LONG-TERM DEBT	\$ 21,080	\$ 22,033
SHAREHOLDERS EQUITY	\$ 64,035	\$ 68,001

Table of Contents

CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for the periods indicated.

	Year Ended June 30,	
	2012	2011
Ratio of earnings to fixed charges (1)	13.5x	15.2x

- (1) Earnings used to compute this ratio are earnings from operations before income taxes and before fixed charges (excluding interest capitalized during the period) and after eliminating undistributed earnings of equity method investees. Fixed charges consist of interest expense (including capitalized interest) and one-third of all rent expense (considered representative of the interest factor).

Table of Contents**CAPITALIZATION**

The following table sets forth our and our subsidiaries consolidated capitalization at June 30, 2012.

	June 30, 2012	
	(in millions of dollars except	
	per share amounts)	
Debt:		
Commercial paper and other borrowings due within one year (1)	\$	8,698
Long-term borrowings		21,080
Total Debt (2)		29,778
Shareholders Equity:		
Convertible Class A preferred stock, stated value \$1 per share; 600,000,000 shares authorized, 121,560,740 outstanding		1,195
Non-Voting Class B preferred stock, stated value \$1 per share; 200,000,000 shares authorized, none outstanding		
Common stock, stated value \$1 per share; 10,000,000,000 shares authorized, 2,748,032,449 outstanding		4,008
Additional paid-in capital		63,181
Reserve for Employee Stock Ownership Plan debt retirement		(1,357)
Accumulated other comprehensive income (loss)		(9,333)
Treasury stock		(69,604)
Retained earnings		75,349
Noncontrolling interest		596
Total Shareholders Equity		64,035
Total Capitalization	\$	93,813

- (1) Includes \$4.1 billion equivalent to current portion of long-term debt due within one year. We maintain credit facilities in support of our short-term commercial paper borrowings. At June 30, 2012 our credit lines with banks amounted to \$11.0 billion and were undrawn.
- (2) Total debt includes \$29.5 billion of The Procter & Gamble Company debt. The balance of debt is held by subsidiaries. Total debt at June 30, 2012 does not include _____ of notes offered hereby. In addition, as of August 7, 2012, there has been a net increase in total debt of approximately \$0.8 billion as compared with the amount shown above as of June 30, 2012.

Table of Contents

DESCRIPTION OF THE NOTES

The following description of the particular terms of the notes supplements the more general description of the debt securities contained in the accompanying prospectus. If there are any inconsistencies between the information in this section and the information in the prospectus, the information in this section controls.

Investors should read this section together with the section entitled "Description of Procter & Gamble Debt Securities" in the accompanying prospectus. Any capitalized terms that are defined in the accompanying prospectus have the same meanings in this section unless a different definition appears in this section. We qualify the description of the notes by reference to the indenture as described below.

General

The notes:

will be in an aggregate initial principal amount of _____, subject to our ability to issue additional notes which may be of the same series as the notes as described under "Further Issues,"

will mature on _____,

will bear interest at a rate of _____ % per annum,

will be our senior debt, ranking equally with all of our other present and future unsecured and unsubordinated indebtedness,

will be issued as a separate series under the indenture between us and Deutsche Bank Trust Company Americas, dated as of September 3, 2009, in registered, book-entry form only,

will be issued in euros in denominations of 100,000 and integral multiples of 1,000 in excess thereof,

will be repaid at par at maturity,

will not be redeemable prior to maturity, other than as described below in connection with certain events involving United States taxation,