#### PROCTER & GAMBLE CO

Form 4

August 07, 2006

# FORM 4

## UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

**SECURITIES** 

OMB Number:

3235-0287

Expires:

January 31, 2005

0.5

Estimated average burden hours per

**OMB APPROVAL** 

response...

Check this box if no longer subject to Section 16. Form 4 or

Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Last)

(Print or Type Responses)

1. Name and Address of Reporting Person \* LAFLEY ALAN G

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

(Middle)

PROCTER & GAMBLE CO [PG]

\_X\_ Director

(Check all applicable)

ONE PROCTER AND GAMBLE

(Street)

(First)

**PLAZA** 

3. Date of Earliest Transaction

(Month/Day/Year) 08/03/2006

10% Owner Other (specify X\_ Officer (give title

below) COB, Pres. and Chief Executive

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check

Applicable Line)

\_X\_ Form filed by One Reporting Person Form filed by More than One Reporting

Person

CINCINNATI, OH 45202

(City)	(State)	(Zip) Tak	ole I - Non-	Derivativ	e Seci	ırities Acq	uired, Disposed o	f, or Beneficia	ally Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactio Code (Instr. 8)	4. Securi on(A) or D (Instr. 3,	ispose	d of (D)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
Common Stock	08/03/2006		Code V A	Amount 5,876 (1)	(D)	Price (1)	(Instr. 3 and 4) 826,203.191	D	
Common Stock	08/03/2006		F	360	D	\$ 55.96	825,843.191	D	
Common Stock	08/03/2006		F	5,531 (2)	D	\$ 56.515 (2)	820,312.191	D	
Common Stock	08/03/2006		F	3,814 (3)	D	\$ 55.405	816,498.191	D	

I

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Common Stock	44,152.7448 (4)		By Retirement Plan Trustees
Common Stock	715.096	I	By son
Common Stock	6,158	I	By Trust (5)
	. : 4:		

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transa Code (Instr.		5. Number of onDerivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Expiration D (Month/Day)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code	v	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Series A Preferred Stock	\$ 0 (6)	06/30/2006(7)		A	V	3.8222		(8)	(8)	Common Stock	3.8222	

# **Reporting Owners**

\*\*Signature of Reporting Person

Reporting Owner Name / Address	Relationships							
F	Director	10% Owner	Officer	Other				
LAFLEY ALAN G ONE PROCTER AND GAMBLE PLAZA CINCINNATI, OH 45202	X		COB, Pres. and Chief Executive					
Signatures								
Susan S. Whaley as Attorney-In-Fact for ALAN LAFLEY	N G.	08/07/200	6					

Reporting Owners 2

Date

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## **Explanation of Responses:**

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Award in the form of RSUs. Amount and price computed per benefit formula for plan year ended June 30, 2006.
- (2) Withholding for taxes not withheld from an award of RSUs on 9-15-04. Withholding, via automatic conversion of RSUs, was calculated pursuant to average stock price on 9-15-04.
- (3) Withholding for taxes not withheld from an award of RSUs on 9-15-05. Withholding, via automatic conversion of RSUs, calculated p ursuant to average stock price on 9-15-05.
- (4) Holdings as of June 30, 2006.
- (5) By A.G. Lafley Irrevocable Trust II U/A dated March 8, 1999, Margaret G. Lafley, trustee, for benefit of reporting person's wife and children.
- (6) Higher of \$6.82 (adjusted for 2-for-1 stock split effective May 21, 2004) or market price of Common Stock.
- (7) Series A Preferred Stock allocated to officer's Retirement Plan Account pursuant to formula award provision for the period 4/1/06 through 6/30/06.
- (8) Shares held by Retirement Plan Trustees. If officer terminates employment and elects distribution of shares, or, if after age 50 elects alternative investment within Plan, Preferred Stock converted/redeemed at specified conversion/exercise price.
- (9) Series A Preferred Stock allocated to officer's Retirement Plan account pursuant to Retirement Plan provisions.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.