

PROCTER & GAMBLE CO
Form 4
August 07, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

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

(Last) (First) (Middle)

ONE PROCTER AND GAMBLE
PLAZA

(Street)

CINCINNATI, OH 45202

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
PROCTER & GAMBLE CO [PG]

3. Date of Earliest Transaction
(Month/Day/Year)
08/03/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
COB, Pres. and Chief Executive

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	08/03/2006		A		5,876 (1)	A	(\$) 826,203.191
Common Stock	08/03/2006		F		360	D	\$ 55.96 825,843.191
Common Stock	08/03/2006		F		5,531 (2)	D	\$ 56.515 (2) 820,312.191
Common Stock	08/03/2006		F		3,814 (3)	D	\$ 55.405 (3) 816,498.191

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)

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

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(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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. P... Der... Sec... (Ins...	
				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

Reporting Owner Name / Address	Relationships			
	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 G. LAFLEY

08/07/2006

**Signature of Reporting Person

Date

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 pursuant 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.