

PROCTER & GAMBLE CO

Form 4

March 02, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
DALEY CLAYTON C JR

(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)

02/28/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief Financial Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 | (A) or (D) | Price | | | |
| Common Stock | 11/21/2005 | | G | V | 1,279 | D | \$ 0 | 131,223.06 | D | |
| Common Stock | 12/23/2005 | | G | V | 5,429 | D | \$ 0 | 125,794.06 | D | |
| Common Stock | 02/28/2006 | | M | | 39,642 | A | \$ 29.8768 | 165,436.06 | D | |
| Common Stock | 02/28/2006 | | F | | 19,577 | D | \$ 60.5 | 145,859.06 | D | |
| Common Stock | 02/28/2006 | | F | | 7,471 | D | \$ 60.5 | 138,388.06 ⁽¹⁾ | D | |

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| | | | | | | | | | |
|--------------|------------|--|-----|-------|---|------|------------------|---|-------------------------------|
| Common Stock | | | | | | | 484 | I | By Daley Investment Co. Ltd. |
| Common Stock | | | | | | | 50,111.32 (2) | I | By Retirement Plan Trustees |
| Common Stock | 12/23/2005 | | G V | 5,429 | A | \$ 0 | 5,429 | I | Charitable Remainder Unitrust |

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title |
| Series A Preferred Stock | (3) | 12/31/2005(4) | | A | V 9.9615 | (5) (5) | Common Stock |
| Stock Option (right to buy) | \$ 29.8768 | 02/28/2006 | | M | 39,642 | 02/28/1998 02/28/2007 | Common Stock |
| Stock Option (right to buy) | \$ 60.5 | 02/28/2006 | | A | 132,232 | 02/28/2009 02/28/2016 | Common Stock |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other
Chief Financial Officer

DALEY CLAYTON C JR
ONE PROCTER AND GAMBLE PLAZA
CINCINNATI, OH 45202

Signatures

Susan S. Whaley as Attorney-in-Fact for CLAYTON C.
DALEY, JR

03/01/2006

__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) Total includes grant of dividend equivalents in the form of RSUs on November 15, 2005 and February 15, 2006, pursuant to Issuer's 2001 Stock and Incentive Compensation Plan.
- (2) Holdings as of 12/31/2005.
- (3) Higher of \$6.82 (adjusted for 2-for-1 stock split effective May 21, 2004) or market price of Common Stock.
- (4) Series A Preferred Stock allocated to officer's Retirement Plan Account pursuant to formula award provision for the period 10/1/05 through 12/31/05.
- (5) 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.
- (6) 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.
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