PROCTER & GAMBLE CO

Form 4

August 07, 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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

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).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading Sheppard Valarie L Issuer Symbol PROCTER & GAMBLE CO [PG] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) Director 10% Owner X_ Officer (give title Other (specify ONE PROCTER AND GAMBLE 08/03/2006 below) below) **PLAZA** Comptroller (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting CINCINNATI, OH 45202 Person (City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 1.Title of 2. Transaction Date 2A. Deemed 3. 4. Securities 5. Amount of 6. Ownership 7. Nature of Security (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Securities Form: Direct Indirect (Instr. 3) Code Disposed of (D) Beneficially (D) or Beneficial (Instr. 3, 4 and 5) Indirect (I) Ownership (Month/Day/Year) (Instr. 8) Owned Following (Instr. 4) (Instr. 4) Reported (A) Transaction(s) (Instr. 3 and 4) V Amount (D) Price Common

Common Stock

Stock

08/03/2006

 $6,033.506 \frac{(3)}{}$ I

 $10,780.06 \frac{(2)}{}$

Retirement Plan

By

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

Estimated average

burden hours per

Trustees

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

A

407 (1)

Α

(1)

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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.			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 (4)	06/30/2006(5)		A	V	1.1709		<u>(6)</u>	<u>(6)</u>	Common Stock	1.1709

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Sheppard Valarie L

ONE PROCTER AND GAMBLE PLAZA

Comptroller

CINCINNATI, OH 45202

Signatures

Susan S. Whaley as Attorney-in-Fact for VALARIE L. SHEPPARD

08/07/2006

8. F Der Sec (Ins

**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) Total includes grant of dividend equivalents in the form of RSUs on 11/15/05, 2/15/06 and 5/15/06, pursuant to Issuer's 2001 Stoc k and Incentive Compensation Plan.
- (3) Holdings as of 12/31/2005.
- (4) Higher of \$6.82 (adjusted for 2-for-1 stock split effective May 21, 2004) or market price of Common Stock.
- (5) 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.
- (6) 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.
- (7) 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.

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