

INSTRUCTIONS FOR EXERCISE OF STOCK OPTIONS – PAPER FORM (02/12)

The "Notice to Exercise" is a **required** document when exercising stock options via paper form.

CHOOSE SERIES TO EXERCISE

Next to the stock option award year, fill in the type (i.e., AA, BB, STAR, GIL etc.). Next, fill in the number of shares to be exercised (adjusted for stock splits). Multiple series may be exercised using one "Notice to Exercise".

CHOOSE METHOD OF EXERCISE

The exercise of a stock appreciation right (SAR) results in an automatic cash payment. If you are exercising a SAR, skip this section and proceed to "Certification of Employment Intent".

Refer to the category that applies to your personal situation:

- U.S. Citizens and Permanent Residents (U.S. Green Card)
- Residents of the stated countries
- All other optionees

Then, depending upon local laws, tax, and exchange controls, up to three methods of exercise are available. Do you want to receive cash upon the exercise of your stock options, or will you be retaining some or all of your shares? The following sections briefly describe each of the exercise methods.

TO RECEIVE CASH

"Sell All": *Note: This is a REQUIRED method of exercise for optionees located in Algeria, Bangladesh, Belarus, Bosnia, China, Colombia, Croatia, Greece, India, Indonesia, Kazakhstan, Kyrgyzstan, Lebanon, Macedonia, Malaysia, Mongolia, Montenegro, Morocco, Russia, Senegal, Serbia, South Africa, Sri Lanka, Thailand, Ukraine, Uzbekistan, Vietnam, Yugoslavia.*

- **Indicate the price at which you want to sell your shares.**

Sell at Market: By checking "Sell at Market", you wish for Procter & Gamble to act on your behalf and sell your shares on the open market at the time you exercise your stock options. Shares of stock will be sold at one of three times daily, depending upon when we receive your exercise request. "Market" order sales will occur at 09:15 a.m., 12:00 p.m., and 3:00 p.m. EST. The sale price received for shares sold at "Market" will be determined by averaging all "Market" orders submitted at that time.

Sell at Limit: By checking "Sell at Limit", you wish for Procter & Gamble to act on your behalf and sell your shares on the open market when the value of Procter & Gamble's stock reaches or exceeds the price you specify and the demand is met. Enter the price for which you want to sell your shares if Procter & Gamble reaches or exceeds the price you specify. Be sure to enter the price in U.S. dollars. Partial sales will be processed. As an example, if you indicate you want to sell 500 shares at a Limit price and only 100 shares sell at that price, those 100 shares will be executed. The balance of 400 shares that did not execute will remain an open order on the NYSE and will sell when P&G stock reaches or exceeds the price you specified and the demand is met. All "Limit" orders are "good to cancel" and will remain outstanding until the earlier of expiration of the grant, or you choose to cancel the exercise request. Requests submitted as "Limit" orders may be canceled by the optionee as long as the sale has not yet occurred. Should you decide to cancel your sale order, contact Stock Plan Administration. If Limit is not reached by the time of expiration for the grant indicated, the grant will expire unexercised.

Example of a Sell All Transaction

- When the "Sell All" method is used, P&G will sell all shares exercised through a broker.
- The Broker Charges \$.02/share commission fees and a minimal SEC fee.
- Option cost and taxes, if applicable, are deducted.
- The remaining proceeds will be delivered to you by your local payroll organization.

Example:

Options Exercised	100 @ \$75 (market price/share)	
Options Grant Price/Share	\$50.00	
Gross Proceeds	\$7,500.00	(75.00 x 100)
Option Cost	\$5,000.00	(50.00 x 100)
Taxable Income	\$2,500.00	(7,500.00 – 5,000.00)
Estimated Taxes	\$750.00	(2,500.00 x 30%)
Broker Commission	\$2.00	(.02 x 100)
Net Payment to Employee	\$1,748.00	(2,500.00 – 750.00 – 2.00)

TO RECEIVE STOCK

“Sell to Cover”

- **Indicate the price at which you want to sell your shares and how you wish to receive your remaining shares.**

Sell at Market: By checking “Sell at Market”, you wish for Procter & Gamble to act on your behalf and sell your shares on the open market at the time you exercise your stock options. Shares of stock will be sold at one of three times daily, depending upon when we receive your exercise request. “Market” order sales will occur at 09:15 a.m., 12:00 p.m., and 3:00 p.m. EST. The sale price received for shares sold at “Market” will be determined by averaging all “Market” orders submitted at that time.

Sell at Limit: By checking “Sell at Limit”, you wish for Procter & Gamble to act on your behalf and sell your shares on the open market when the value of Procter & Gamble’s stock reaches or exceeds the price you specify and the demand is met. Enter the price for which you want to sell your shares if Procter & Gamble reaches or exceeds the price you specify. Be sure to enter the price in U.S. dollars. Partial sales will be processed. As an example, if you indicate you want to sell 500 shares at a Limit price and only 100 shares sell at that price, those 100 shares will be executed. The balance of 400 shares that did not execute will remain an open order on the NYSE and will sell when P&G stock reaches or exceeds the price you specified and the demand is met. All “Limit” orders are “good to cancel” and will remain outstanding until the earlier of expiration of the grant, or you choose to cancel the exercise request. Requests submitted as “Limit” orders may be canceled by the optionee as long as the sale has not yet occurred. Should you decide to cancel your sale order, contact Stock Plan Administration. If Limit is not reached by the time of expiration for the grant indicated, the grant will expire unexercised.

- **Resulting shares will be deposited into a DSPP account.**

Deposit of resulting shares into a DSPP account: Shares to be issued to you will be deposited to a Stock Investment Program account, maintained by the Wells Fargo. If you do not have an existing account, a new account will be created and you will receive more information about your account from Wells Fargo.

Example of a Sell to Cover Transaction

- This method allows retention of some shares without submitting a cash payment.
- When the “Sell to Cover” method is used, P&G will sell enough shares to cover your option cost and estimated taxes, if applicable, through a broker. The number of shares to sell is calculated based on an estimated sale price.
- The number of shares to be sold will be calculated by adding option cost and estimated taxes, if applicable, and dividing by an estimated sale price. This number will be increased by a small percentage to cover the Broker Charges of \$.02/share commission fee, a minimal SEC fee and market fluctuation.
- Option cost and taxes, if applicable, along with commission and fees are deducted from sale proceeds. Due to market fluctuation, there may be remaining money, which will be delivered to you by local payroll.
- Shares not sold to cover costs will be deposited to your Stock Investment account with Wells Fargo.

Example:

Shares Exercised	100	
Exercise Price/Share	\$75.00	
Grant Price/Share	\$50.00	
Option Cost	\$5,000.00	(50.00 x 100)
Taxable Income	\$2,500.00	(7,500.00 – 5,000.00)
Estimated Taxes	\$750.00	(2,500.00 x 30%)
Shares to Sell to Cover	78	((5,000.00 + 750.00)/ 75.00) + 1%

Broker Commission	\$1.56	(.02 x 78)
Net Payment to Employee	\$98.44	((78 x 75.00) – 5,000.00 – 750.00 – 1.56)
Shares Distributed to Employee	22	(100-78)

“Pay Cash”

- The amount of cash due to cover option cost and taxes is calculated by multiplying the option grant price times the number of shares being exercised. Applicable taxes are also due in cash at the time of exercise. Taxes are calculated using an estimated rate provided by your local payroll organization. As these rates vary, you are requested to contact Stock Plan Administration to calculate the payment due.

- **Indicate the way in which you will provide payment:**

Enclosed is a check for US\$: To pay by check, checks must be made payable to “The Procter & Gamble Company”. The check must be issued in US dollars and drawn on a US bank (i.e., the bank issuing the check must have a branch in the US). Mail the check to: Procter & Gamble, Stock Plan Administration, Two Procter & Gamble Plaza, TE-3, Cincinnati, OH, USA 45202. In the space provided, please write-in the value of your check. Your stock option exercise will not be executed until payment is received.

I have transmitted US\$ via wire transfer: To pay by wire transfer, transfer must be done in US dollars. Route the funds to: Citibank, N.A., 153 E. 53rd Street, 18th Floor, New York, NY USA 10043. The bank account information is: P&G Company Regular Account, Account Number 0000-1986, ABA Routing Number 021000089, SWIFT code CITIUS33. Add memo text to the transfer indicating: Stock Option Exercise. In the space provided, please write-in the value of your wire transfer. Your stock option exercise will not be executed until payment is received.

- **Resulting shares will be deposited into a DSPP account.**

Deposit of resulting shares into a DSPP account: Shares to be issued to you will be deposited to a Stock Investment Program account, maintained by the Wells Fargo. If you do not have an existing account, a new account will be created and you will receive more information about your account from Wells Fargo.

Example of a Pay Cash Transaction

- This method allows retention of all shares exercised.
- When the “Pay Cash” method is used, the employee sends in cash to pay for the option cost and taxes, if applicable, via check or wire transfer.
- The exercise will be valued at the average of the high and low on the New York Stock Exchange on the day payment is received. This value will be used to calculate taxable income.
- Option cost and taxes, if applicable, are deducted from payment. Due to tax estimation, there may be remaining money, which will be delivered to you by local payroll.
- Shares will be deposited to your Stock Investment account with Wells Fargo.

Example

Share Exercised	100	
Exercise Price/Share	\$75.00	
Grant Price/Share	\$50.00	
Option Cost	\$5,000.00	(50.00 x 100)
Taxable Income	\$2,500.00	(7,500.00 – 5,000.00)
Estimated Taxes	\$750.00	(2,500.00 x 30%)
Total Cash paid by Employee	\$5,750.00	(5,000.00 + 750.00)
Shares Distributed to Employee	100	

Once you have decided upon your chosen method of exercise, check the appropriate line. You will then be asked to check different statements as they apply to your request.

CANCELLATION POLICY

A Limit order can be cancelled until the broker executes the sale. The broker executes when the stock price reaches or exceeds the specified limit and the demand is met. The cancellation of a limit order is a three step process: 1) optionee submits a "cancel" request; 2) P&G submits "cancel" request to broker at 9:00 a.m., 12:00 p.m. and 3:00 p.m. EST; 3) broker receives and cancels the order if not already sold.

CERTIFICATION OF EMPLOYMENT INTENT (required for "active" employees)

The Certification of Employment Intent is required for "active" employees exercising stock. If you intend to leave the Company within one year following the date of exercise, complete box 2 and obtain the signature of your Vice President.

INDICATION OF INTERNATIONAL ASSIGNMENTS (Retirees and Separated Employees)

Indicate countries in which you worked from 1999 – present while you were a P&G employee. Include the dates you worked in that location and the type of assignment you held (e.g. WES/International Manager or local employee).

AUTHORIZATION

Each person who exercises a stock option is responsible for paying all federal and local taxes due in their country of residence, as well as any country in which you have previously lived or worked. The Company expects employees to comply with all tax requirements. Signing this "Notice to Exercise" acknowledges your responsibility.

Personal information must be completed before your transaction can be processed.

TAX INFORMATION

Each person who exercises a stock option is responsible for paying the federal and local taxes in their country of residence, as well as any country in which you have previously lived or worked. The Company expects employees to comply with all tax requirements.

The Company generally withholds taxes based on your current residence based on the tax rates provided by local payroll organizations. In addition, depending on applicable tax laws, the Company may withhold taxes (where required) based on countries where you worked while you held the stock options. When your stock option exercise request is processed by Stock Plan Administration, these estimated rates will be applied and an approximate tax withholding will be provided. When the exercise data is passed to local payroll, the actual tax withholding calculation will be performed using the applicable payroll tax rates. If you have questions about the tax withheld, contact your local payroll organization. Stock Plan Administration can assist you in making contact with local payroll.

If you are paying your withholding taxes via cash, please contact Stock Plan Administration to determine payment to be submitted.

Note that in most cases, the amount of tax withheld by the Company may not reflect your actual tax liability. Please consult your tax advisor to determine your actual tax liability.

HOW TO REACH US

You may always write or phone us at the following address:

The Procter & Gamble Company
Stock Plan Administration
TE-3, G.O.
Cincinnati, OH 45202
phone: 513-983-5125 fax: 513-983-0159
e-mail: stockopt.im@pg.com