

**Consolidated Statements of Earnings**

<b>Amounts in millions except per share amounts; Years ended June 30</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>NET SALES</b>	<b>\$ 65,058</b>	<b>\$ 65,299</b>	<b>\$ 70,749</b>
Cost of products sold	32,535	32,909	37,056
Selling, general and administrative expense	18,568	18,949	20,616
Venezuela deconsolidation charge	—	—	2,028
<b>OPERATING INCOME</b>	<b>13,955</b>	<b>13,441</b>	<b>11,049</b>
Interest expense	465	579	626
Interest income	171	182	149
Other non-operating income/(expense), net	(404)	325	440
<b>EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>13,257</b>	<b>13,369</b>	<b>11,012</b>
Income taxes on continuing operations	3,063	3,342	2,725
<b>NET EARNINGS FROM CONTINUING OPERATIONS</b>	<b>10,194</b>	<b>10,027</b>	<b>8,287</b>
<b>NET EARNINGS/(LOSS) FROM DISCONTINUED OPERATIONS</b>	<b>5,217</b>	<b>577</b>	<b>(1,143)</b>
<b>NET EARNINGS</b>	<b>15,411</b>	<b>10,604</b>	<b>7,144</b>
Less: Net earnings attributable to noncontrolling interests	85	96	108
<b>NET EARNINGS ATTRIBUTABLE TO PROCTER &amp; GAMBLE</b>	<b>\$ 15,326</b>	<b>\$ 10,508</b>	<b>\$ 7,036</b>
<b>BASIC NET EARNINGS PER COMMON SHARE: <sup>(1)</sup></b>			
Earnings from continuing operations	\$ 3.79	\$ 3.59	\$ 2.92
Earnings/(loss) from discontinued operations	2.01	0.21	(0.42)
<b>BASIC NET EARNINGS PER COMMON SHARE</b>	<b>\$ 5.80</b>	<b>\$ 3.80</b>	<b>\$ 2.50</b>
<b>DILUTED NET EARNINGS PER COMMON SHARE: <sup>(1)</sup></b>			
Earnings from continuing operations	\$ 3.69	\$ 3.49	\$ 2.84
Earnings/(loss) from discontinued operations	1.90	0.20	(0.40)
<b>DILUTED NET EARNINGS PER COMMON SHARE</b>	<b>\$ 5.59</b>	<b>\$ 3.69</b>	<b>\$ 2.44</b>
<b>DIVIDENDS PER COMMON SHARE</b>	<b>\$ 2.70</b>	<b>\$ 2.66</b>	<b>\$ 2.59</b>

<sup>(1)</sup> Basic net earnings per common share and Diluted net earnings per common share are calculated on Net earnings attributable to Procter & Gamble.

**Consolidated Balance Sheets**

<b><u>Amounts in millions; As of June 30</u></b>	<b>2017</b>	<b>2016</b>
<b><u>Assets</u></b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 5,569	\$ 7,102
Available-for-sale investment securities	9,568	6,246
Accounts receivable	4,594	4,373
<b>INVENTORIES</b>		
Materials and supplies	1,308	1,188
Work in process	529	563
Finished goods	2,787	2,965
Total inventories	4,624	4,716
Deferred income taxes	—	1,507
Prepaid expenses and other current assets	2,139	2,653
Current assets held for sale	—	7,185
<b>TOTAL CURRENT ASSETS</b>	<b>26,494</b>	<b>33,782</b>
<b>PROPERTY, PLANT AND EQUIPMENT, NET</b>	<b>19,893</b>	<b>19,385</b>
<b>GOODWILL</b>	<b>44,699</b>	<b>44,350</b>
<b>TRADEMARKS AND OTHER INTANGIBLE ASSETS, NET</b>	<b>24,187</b>	<b>24,527</b>
<b>OTHER NONCURRENT ASSETS</b>	<b>5,133</b>	<b>5,092</b>
<b>TOTAL ASSETS</b>	<b>\$ 120,406</b>	<b>\$ 127,136</b>
<b><u>Liabilities and Shareholders' Equity</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 9,632	\$ 9,325
Accrued and other liabilities	7,024	7,449
Current liabilities held for sale	—	2,343
Debt due within one year	13,554	11,653
<b>TOTAL CURRENT LIABILITIES</b>	<b>30,210</b>	<b>30,770</b>
<b>LONG-TERM DEBT</b>	<b>18,038</b>	<b>18,945</b>
<b>DEFERRED INCOME TAXES</b>	<b>8,126</b>	<b>9,113</b>
<b>OTHER NONCURRENT LIABILITIES</b>	<b>8,254</b>	<b>10,325</b>
<b>TOTAL LIABILITIES</b>	<b>64,628</b>	<b>69,153</b>
<b>SHAREHOLDERS' EQUITY</b>		
Convertible Class A preferred stock, stated value \$1 per share (600 shares authorized)	1,006	1,038
Non-Voting Class B preferred stock, stated value \$1 per share (200 shares authorized)	—	—
Common stock, stated value \$1 per share (10,000 shares authorized; shares issued: 2017 - 4,009.2, 2016 - 4,009.2 )	4,009	4,009
Additional paid-in capital	63,641	63,714
Reserve for ESOP debt retirement	(1,249)	(1,290)
Accumulated other comprehensive income/(loss)	(14,632)	(15,907)
Treasury stock, at cost (shares held: 2017 - 1,455.9, 2016 - 1,341.2)	(93,715)	(82,176)
Retained earnings	96,124	87,953
Noncontrolling interest	594	642
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>55,778</b>	<b>57,983</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 120,406</b>	<b>\$ 127,136</b>

See accompanying Notes to Consolidated Financial Statements.

**Consolidated Statements of Cash Flows**

<b>Amounts in millions; Years ended June 30</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>\$ 7,102</b>	<b>\$ 6,836</b>	<b>\$ 8,548</b>
<b>OPERATING ACTIVITIES</b>			
Net earnings	15,411	10,604	7,144
Depreciation and amortization	2,820	3,078	3,134
Loss on early extinguishment of debt	543	—	—
Share-based compensation expense	351	335	337
Deferred income taxes	(601)	(815)	(803)
Gain on sale of assets	(5,490)	(41)	(766)
Venezuela deconsolidation charge	—	—	2,028
Goodwill and intangible asset impairment charges	—	450	2,174
Change in accounts receivable	(322)	35	349
Change in inventories	71	116	313
Change in accounts payable, accrued and other liabilities	(149)	1,285	928
Change in other operating assets and liabilities	(43)	204	(976)
Other	162	184	746
<b>TOTAL OPERATING ACTIVITIES</b>	<b>12,753</b>	<b>15,435</b>	<b>14,608</b>
<b>INVESTING ACTIVITIES</b>			
Capital expenditures	(3,384)	(3,314)	(3,736)
Proceeds from asset sales	571	432	4,498
Cash related to deconsolidated Venezuela operations	—	—	(908)
Acquisitions, net of cash acquired	(16)	(186)	(137)
Purchases of short-term investments	(4,843)	(2,815)	(3,647)
Proceeds from sales and maturities of short-term investments	1,488	1,354	1,203
Pre-divestiture addition of restricted cash related to the Beauty Brands divestiture	(874)	(996)	—
Cash transferred at closing related to the Beauty Brands divestiture	(475)	—	—
Release of restricted cash upon closing of the Beauty Brands divestiture	1,870	—	—
Cash transferred in Batteries divestiture	—	(143)	—
Change in other investments	(26)	93	(163)
<b>TOTAL INVESTING ACTIVITIES</b>	<b>(5,689)</b>	<b>(5,575)</b>	<b>(2,890)</b>
<b>FINANCING ACTIVITIES</b>			
Dividends to shareholders	(7,236)	(7,436)	(7,287)
Change in short-term debt	2,727	(418)	(2,580)
Additions to long-term debt	3,603	3,916	2,138
Reductions of long-term debt	(4,931) <sup>(1)</sup>	(2,213)	(3,512)
Treasury stock purchases	(5,204)	(4,004)	(4,604)
Treasury stock from cash infused in Batteries divestiture	—	(1,730)	—
Impact of stock options and other	2,473	2,672	2,826
<b>TOTAL FINANCING ACTIVITIES</b>	<b>(8,568)</b>	<b>(9,213)</b>	<b>(13,019)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(29)</b>	<b>(381)</b>	<b>(411)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,533)</b>	<b>266</b>	<b>(1,712)</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 5,569</b>	<b>\$ 7,102</b>	<b>\$ 6,836</b>
<b>SUPPLEMENTAL DISCLOSURE</b>			
Cash payments for interest	\$ 518	\$ 569	\$ 678
Cash payment for income taxes	3,714	3,730	4,558
Divestiture of Batteries business in exchange for shares of P&G stock <sup>(2)</sup>	—	4,213	—
Divestiture of Beauty business in exchange for shares of P&G stock and assumption of debt	11,360	—	—

Assets acquired through non-cash capital leases are immaterial for all periods.

<sup>(1)</sup> Includes \$543 of costs related to early extinguishment of debt.

<sup>(2)</sup> Includes \$1,730 from cash infused into the Batteries business pursuant to the divestiture agreement (see Note 13).