

PROCTER & GAMBLE CO
Form 4
May 26, 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 *
ARNOLD SUSAN E

(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)
05/25/2006

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)
V-Chair-PG Beauty and Health

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 (A) or (D) Price | | | |
| Common Stock | 05/25/2006 | | M | 8,864 A \$ 21.9407 | 78,504.58 | D | |
| Common Stock | 05/25/2006 | | F | 1,896 D \$ 55.07 | 76,608.58 | D | |
| Common Stock | 05/25/2006 | | M | 22,650 A \$ 29.8768 | 99,258.58 | D | |
| Common Stock | 05/25/2006 | | F | 3,684 D \$ 55.07 | 95,574.58 <u>(1)</u> | D | |
| Common Stock | | | | | 10 | I | by Daughter |

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| | | | |
|--------------|-----------|---|--------------------------|
| Common Stock | 10 | I | by Son |
| Common Stock | 21,952.83 | I | Retirement Plan Trustees |

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) | Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock Option (right to buy) | \$ 21.9407 | 05/25/2006 | | M | 8,864 | 07/10/1996 07/10/2006 | Common Stock | 8,864 | |
| Stock Option (right to buy) | \$ 29.8768 | 05/25/2006 | | M | 22,650 | 02/28/1997 02/28/2007 | Common Stock | 22,650 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| ARNOLD SUSAN E ONE PROCTER AND GAMBLE PLAZA CINCINNATI, OH 45202 | | | V-Chair-PG Beauty and Health | |

Signatures

Susan S. Whaley as Attorney-in-Fact for SUSAN E. ARNOLD
05/26/2006

__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 dividends in the form of RSUs on November 15, 2005, February 15, 2006 and May 15, 2006.

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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