PROCTER & GAMBLE Co
Form 424B5
November 01, 2016
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CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities Offered	**Maximum Aggregate Offering Price**	**Amount of Registration Fee (1)**
1.700% Notes due 2021	$875,000,000	$101,412.50
2.450% Notes due 2026	$875,000,000	$101,412.50
Total	$1,750,000,000	$202,825.00

(1) The filing fee of $202,825 is calculated in accordance with Rule 457(r) of the Securities Act of 1933.

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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-199594

Prospectus Supplement to Prospectus dated October 24, 2014

$1,750,000,000

The Procter & Gamble Company
$875,000,000 1.700% Notes due 2021

$875,000,000 2.450% Notes due 2026

The 1.700% notes will mature on November 3, 2021 and the 2.450% notes will mature on November 3, 2026. References to the notes refer to the 1.700% notes and the 2.450% notes, collectively. Interest on the notes will be payable on May 3 and November 3 of each year, as applicable. Interest on the notes will accrue from November 3, 2016. The first interest payment date for the notes will be May 3, 2017. We may redeem some or all of the notes at any time at the redemption prices described in this prospectus supplement.

See Risk Factors beginning on page S-3 to read about important factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the notes or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Public Offering Price		**Underwriting Discount**		**Proceeds, Before Expenses, to us**	
	Per Note	**Total**	**Per Note**	**Total**	**Per Note**	**Total**
1.700% Notes	99.795%	$ 873,206,250	0.350%	$ 3,062,500	99.445%	$ 870,143,750
2.450% Notes	99.859%	$ 873,766,250	0.450%	$ 3,937,500	99.409%	$ 869,828,750

Total	$ 1,746,972,500	$ 7,000,000	$ 1,739,972,500

The initial public offering prices set forth above do not include accrued interest, if any. Interest on the notes of each series will accrue from November 3, 2016 and must be paid by the purchasers if the notes are delivered after November 3, 2016. The notes will not be listed on any securities exchange.

We expect to deliver the notes to investors through the book-entry delivery system of The Depository Trust Company and its participants, including Clearstream Banking, *société anonyme*, and Euroclear Bank S.A./N.V. as operator of the Euroclear System, on or about November 3, 2016.

Joint Book-Running Managers

Deutsche Bank Securities **HSBC** **Morgan Stanley**

Senior Co-Managers

Citigroup **Goldman, Sachs & Co.** **J.P. Morgan**

Co-Managers

BofA Merrill Lynch **Barclays** **MUFG** **RBC Capital Markets**
BBVA **ING** **Wells Fargo Securities** **The Williams Capital Group, L.P.**
Fifth Third Securities **PNC Capital Markets LLC** **US Bancorp**

Prospectus Supplement dated October 31, 2016

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Prospectus Supplement

Prospectus

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ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement contains the terms of this offering of notes. This prospectus supplement, or the information incorporated by reference in this prospectus supplement, may add to, update or change the information in the accompanying prospectus. If information in this prospectus supplement, or the information incorporated by reference in this prospectus supplement, is inconsistent with the accompanying prospectus, this prospectus supplement, or the information incorporated by reference in this prospectus supplement, will apply and will supersede that information in the accompanying prospectus.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents we have referred you to in Incorporation of Certain Information by Reference in this prospectus supplement.

No person is authorized to give any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This prospectus supplement and the accompanying prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this prospectus supplement or the accompanying prospectus, nor any sale made hereunder or thereunder shall, under any circumstances, create any implication that there has been no change in our affairs since the date of this prospectus supplement or the accompanying prospectus, or that the information contained or incorporated by reference herein or therein is correct as of any time subsequent to the date of such information.

The distribution of this prospectus supplement and the accompanying prospectus and the offering of the notes in certain jurisdictions may be restricted by law. This prospectus supplement and the accompanying prospectus do not constitute an offer, or an invitation on our behalf or on behalf of the underwriters, to subscribe to or purchase, any of the notes, and may not be used for or in connection with an offer or solicitation by anyone, in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. See Underwriting.

Unless otherwise specified, all references in this prospectus supplement to: (a) Procter & Gamble, P&G, the Company, we, us, and our are to The Procter & Gamble Company and its subsidiaries; (b) fiscal followed l specific year are to our fiscal year ended or ending June 30 of that year; and (c) U.S. dollars, dollars, U.S. $ or are to the currency of the United States of America.

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THE COMPANY

The Procter & Gamble Company is focused on providing branded consumer packaged goods of superior quality and value to improve the lives of the world s consumers. The Company was incorporated in Ohio in 1905, having been built from a business founded in 1837 by William Procter and James Gamble. Today, we sell our products in more than 180 countries and territories. Our principal executive offices are located at One Procter & Gamble Plaza, Cincinnati, Ohio 45202, and our telephone number is (513) 983-1100.

In the United States, as of June 30, 2016, we owned and operated 24 manufacturing sites located in 18 different states or territories. In addition, we owned and operated 97 manufacturing sites in 38 other countries. Many of the domestic and international sites manufacture products for multiple businesses.

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RISK FACTORS

We discuss our expectations regarding future performance, events and outcomes, such as our business outlook and objectives in this document, as well as in our annual report, quarterly reports, current reports on Form 8-K, press releases and other written and oral communications. All statements, except for historical and present factual information, are forward-looking statements and are based on financial data and business plans available only as of the time the statements are made, which may become outdated or incomplete. We assume no obligation to update any forward-looking statements as a result of new information, future events or other factors. Forward-looking statements are inherently uncertain, and investors must recognize that events could significantly differ from our expectations.

The following discussion of risk factors identifies significant factors that may adversely affect our business, operations, financial position or future financial performance. This information should be read in conjunction with Management s Discussion and Analysis and the consolidated financial statements and related notes included in our annual report, quarterly reports and current reports on Form 8-K which are incorporated by reference into this document. The following discussion of risks is not all inclusive, but is designed to highlight what we believe are important factors to consider when evaluating our expectations. These and other factors could cause our future results to differ from those in the forward-looking statements and from historical trends.

Our business is subject to numerous risks as a result of our having significant operations and sales in international markets, including foreign currency fluctuations, currency exchange or pricing controls and localized volatility.

We are a global company, with operations in approximately 70 countries and products sold in more than 180 countries and territories around the world. We hold assets, incur liabilities, earn revenues and pay expenses in a variety of currencies other than the U.S. dollar, and our operations outside the U.S. generate a significant portion of our net revenue. Fluctuations in exchange rates for foreign currencies, such as the recent volatility in the Russian ruble, may reduce the U.S. dollar value of revenues, profits and cash flows we receive from non-U.S. markets, increase our supply costs (as measured in U.S. dollars) in those markets, negatively impact our competitiveness in those markets or otherwise adversely impact our business results or financial condition. Moreover, discriminatory or conflicting fiscal policies in different countries could adversely affect our results. See also the Results of Operations and Cash Flow, Financial Condition and Liquidity sections of Management s Discussion and Analysis and Note 9 to our consolidated financial statements included in our annual report, which is incorporated by reference into this document.

We also have sizable businesses and maintain local currency cash balances in a number of foreign countries with exchange, import authorization, pricing or other controls, including Argentina, Egypt, Nigeria and Ukraine. Our results of operations and financial condition could be adversely impacted if we are unable to successfully manage such controls, continue existing business operations and repatriate earnings from overseas, or if new or increased tariffs, quotas, exchange or price controls, trade barriers or similar restrictions are imposed on our business outside the U.S.

Additionally, our business, operations or employees may be adversely affected by political volatility, labor market disruptions or other crises or vulnerabilities in individual countries or regions, including political instability or upheaval, broad economic instability or sovereign risk related to a default by or deterioration in the credit worthiness of local governments, particularly in emerging markets.

Uncertain global economic conditions may adversely impact demand for our products or cause our customers and other business partners to suffer financial hardship, which could adversely impact our business.

Our business could be negatively impacted by reduced demand for our products related to one or more significant local, regional or global economic disruptions, such as: a slow-down in the general economy; reduced market growth rates; tighter credit markets for our suppliers, vendors or customers; or

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the inability to conduct day-to-day transactions through our financial intermediaries to pay funds to or collect funds from our customers, vendors and suppliers. Additionally, economic conditions may cause our suppliers, distributors, contractors or other third party partners to suffer financial difficulties that they cannot overcome, resulting in their inability to provide us with the materials and services we need, in which case our business and results of operations could be adversely affected. Customers may also suffer financial hardships due to economic conditions such that their accounts become uncollectible or are subject to longer collection cycles. If we are unable to generate sufficient income and cash flow, it could affect the Company s ability to achieve expected share repurchase and dividend payments.

Disruptions in credit markets or changes to our credit ratings may reduce our access to credit.

A disruption in the credit markets or a downgrade of our current credit rating could increase our future borrowing costs and impair our ability to access capital and credit markets on terms commercially acceptable to us, which could adversely affect our liquidity and capital resources or significantly increase our cost of capital.

Disruption in our global supply chain may negatively impact our business results.

Our ability to meet our customers needs and achieve cost targets depends on our ability to maintain key manufacturing and supply arrangements, including execution of our previously-announced supply chain simplifications and certain sole supplier or sole manufacturing plant arrangements. The loss or disruption of such manufacturing and supply arrangements, including for issues such as labor disputes, loss or impairment of key manufacturing sites, inability to procure sufficient raw or input materials, natural disasters, acts of war or terrorism or other external factors over which we have no control, could interrupt product supply and, if not effectively managed and remedied, have an adverse impact on our business, financial condition or results of operations.

Our businesses face cost fluctuations and pressures that could affect our business results.

Our costs are subject to fluctuations, particularly due to changes in the prices of commodities and raw materials and the costs of labor, transportation, energy, pension and healthcare. Therefore, our business results are dependent, in part, on our continued ability to manage these fluctuations through pricing actions, cost saving projects and sourcing decisions, while maintaining and improving margins and market share. Failure to manage these fluctuations could adversely impact our financial results.

Our ability to meet our growth targets depends on successful product, marketing and operations innovation and successful responses to competitive innovation.

We are a consumer products company that relies on continued global demand for our brands and products. Achieving our business results depends, in part, on successfully developing, introducing and marketing new products and on making significant improvements to our equipment and manufacturing processes. The success of such innovation depends on our ability to correctly anticipate customer and consumer acceptance and trends, to obtain, maintain and enforce necessary intellectual property protections and to avoid infringing upon the intellectual property rights of others. We must also be able to successfully respond to technological advances made by, and intellectual property rights granted to, competitors. Failure to continually innovate, improve and respond to competitive moves could compromise our competitive position and adversely impact our results.

The ability to achieve our business objectives is dependent on how well we can compete with our local and global competitors in new and existing markets and channels.

The consumer products industry is highly competitive. Across all of our categories, we compete against a wide variety of global and local competitors. As a result, we experience ongoing competitive

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pressures in the environments in which we operate, as well as challenges in maintaining profit margins. To address these challenges, we must be able to successfully respond to competitive factors, including pricing, promotional incentives and trade terms. In addition, evolving sales channels and business models may affect customer and consumer preferences as well as market dynamics, which, for example, may be seen in the growing consumer preference for shopping online. Failure to successfully respond to competitive factors and effectively compete in growing sales channels and business models, particularly e-commerce, could negatively impact our results.

A significant change in customer relationships or in customer demand for our products could have a significant impact on our business.

We sell most of our products via retail customers, which include mass merchandisers, grocery stores, membership club stores, drug stores, department stores, distributors, baby stores, specialty beauty stores, e-commerce, high-frequency stores and pharmacies. Our success is dependent on our ability to successfully manage relationships with our retail trade customers, which includes our ability to offer trade terms that are mutually acceptable and are aligned with our pricing and profitability targets. Continued consolidation among our retail customers could create significant cost and margin pressure on our business, and our business performance could suffer if we cannot reach agreement with a key customer based on our trade terms and principles. Our business could also be negatively impacted if a key customer were to significantly reduce the inventory level of our products or experience a significant business disruption.

If the reputation of the Company or one or more of our brands erodes significantly, it could have a material impact on our financial results.

The Company s reputation, and the reputation of our brands, form the foundation of our relationships with key stakeholders and other constituencies, including consumers, customers and suppliers. The quality and safety of our products are critical to our business. Many of our brands have worldwide recognition, and our financial success is directly dependent on the success of our brands. The success of our brands can suffer if our marketing plans or product initiatives do not have the desired impact on a brand s image or its ability to attract consumers. Our results could also be negatively impacted if one of our brands suffers substantial harm to its reputation due to a significant product recall, product-related litigation, changing consumer perceptions of certain ingredients, allegations of product tampering or the distribution and sale of counterfeit products. Additionally, negative or inaccurate postings or comments on social media or networking websites about the Company or one of its brands could generate adverse publicity that could damage the reputation of our brands or the Company. If we are unable to effectively manage real or perceived issues, including concerns about safety, quality, ingredients, efficacy or similar matters, sentiments toward the Company or our products could be negatively impacted and our financial results could suffer. Our Company also devotes significant time and resources to programs that are consistent with our corporate values and are designed to protect and preserve our reputation, such as social responsibility and environmental sustainability. If these programs are not executed as planned or suffer negative publicity, the Company s reputation and financial results could be adversely impacted.

We rely on third parties in many aspects of our business, which creates additional risk.

Due to the scale and scope of our business, we must rely on relationships with third parties, including our suppliers, distributors, contractors, joint venture partners or external business partners, for certain functions. If we are unable to effectively manage our third party relationships and the agreements under which our third party partners operate, our financial results could suffer. Additionally, while we have policies and procedures for managing these relationships, they inherently involve a lesser degree of control over business operations, governance and compliance, thereby potentially increasing our financial, legal, reputational and operational risk.

An information security incident, including a cybersecurity breach, or the failure of one or more key information technology systems, networks, hardware, processes, associated sites or service providers could have a material adverse impact on our business or reputation.

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We rely extensively on information technology (IT) systems, networks and services, including internet sites, data hosting and processing facilities and tools, physical security systems and other hardware, software and technical applications and platforms, some of which are managed, hosted, provided and/or used by third-parties or their vendors, to assist in conducting our business. The various uses of these IT systems, networks and services include, but are not limited to:

- ordering and managing materials from suppliers;
- converting materials to finished products;
- shipping products to customers;
- marketing and selling products to consumers;
- collecting, transferring, storing, and/or processing customer, consumer, employee, vendor, investor, regulatory, and other stakeholder information and personal data;
- summarizing and reporting results of operations;
- hosting, processing and sharing, as appropriate, confidential and proprietary research, business plans and financial information;
- collaborating via an online and efficient means of global business communications;
- complying with regulatory, legal and tax requirements;
- providing data security; and
- handling other processes necessary to manage our business.

Numerous and evolving information security threats, including advanced persistent cybersecurity threats, pose a risk to the security of our IT systems, networks and services, as well as to the confidentiality, availability and integrity of our data and the availability and integrity of our critical business operations. As cybersecurity threats rapidly evolve in sophistication and become more prevalent across the industry globally, the Company is continually increasing its sensitivity and attention to these threats. We continue to assess potential threats and make investments seeking to address these threats, including monitoring of networks and systems and upgrading skills, employee training and security policies for the Company and its third-party providers. However, because the techniques used in these attacks change frequently and may be difficult to detect for periods of time, we may face difficulties in anticipating and implementing adequate preventative measures. Our IT databases and systems and our third party providers databases and systems have been, and will likely continue to be, subject to computer viruses or other malicious codes, unauthorized access attempts, denial of service attacks, phishing and other cyber-attacks. To date, we have seen no material impact on our business or operations from these attacks; however, we cannot guarantee that our security efforts or the security efforts of our third party providers will prevent breaches or breakdowns to our or our third-party providers databases or systems. If the IT systems, networks or service providers we rely upon fail to function properly or cause operational outages or aberrations, or if we or one of our third-party providers suffer a loss, significant unavailability of or disclosure of our business or stakeholder information, due to any number of causes, ranging from catastrophic events or power outages to improper data handling or security breaches, and our business continuity plans do not effectively address these failures on a timely basis, we may be exposed to reputational, competitive and business harm as well as litigation and regulatory action. The costs and operational consequences of responding to breaches and implementing remediation measures could be significant.

We must successfully manage compliance with legislation, regulation and enforcement, as well as pending legal matters in the U.S. and abroad.

Our business is subject to a wide variety of laws and regulations across all of the countries in which we do business, including those laws and regulations involving intellectual property, product liability, marketing, antitrust, privacy, environmental, employment, anti-bribery or anti-corruption (such as the U.S.

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Foreign Corrupt Practices Act), tax or other matters. Rapidly changing laws, regulations and related interpretations, including changes in accounting standards, as well as increased enforcement actions, create challenges for the Company, including our compliance and ethics programs and may alter the environment in which we do business, which could adversely impact our financial results. If we are unable to continue to meet these challenges and comply with all laws, regulations and related interpretations, it could negatively impact our reputation and our business results. Failure to successfully manage regulatory and legal matters and resolve such matters without significant liability or damage to our reputation may materially adversely impact our results of operations and financial position. Furthermore, if pending legal matters result in fines or costs in excess of the amounts accrued to date, that may also materially impact our results of operations and financial position.

Changes in applicable tax regulations could negatively affect our financial results.

The Company is subject to taxation in the U.S. and numerous foreign jurisdictions. Because the U.S. maintains a worldwide corporate tax system, the foreign and U.S. tax systems are somewhat interdependent. For example, certain income that is earned and taxed in countries outside the U.S. is not taxed in the U.S., provided those earnings are indefinitely reinvested outside the U.S. If those same foreign earnings are instead repatriated to the U.S., additional residual U.S. taxation will likely occur, due to the U.S. s worldwide tax system and higher U.S. corporate tax rate. The U.S. is considering corporate tax reform that may significantly change the corporate tax rate and the U.S. international tax rules. Additionally, longstanding international tax norms that determine each country s jurisdiction to tax cross-border international trade are evolving as a result of the Base Erosion and Profit Shifting project (BEPS) undertaken by the G8, G20 and Organization for Economic Cooperation and Development (OECD). As these and other tax laws and related regulations change, our financial results could be materially impacted. Given the unpredictability of these possible changes and their potential interdependency, it is very difficult to assess whether the overall effect of such potential tax changes would be cumulatively positive or negative for our earnings and cash flow, but such changes could adversely impact our financial results.

If we are unable to successfully execute our portfolio optimization strategy, as well as successfully manage ongoing acquisition, joint venture and divestiture activities, it could adversely impact our business.

In August 2014, the Company announced a plan to significantly streamline our product portfolio by divesting, discontinuing or consolidating about 100 non-strategic brands, resulting in a portfolio of about 65 brands. The Company has announced the Beauty Brands transaction with Coty and completed a series of other transactions that will substantially complete this plan. Our ability to successfully execute our portfolio optimization strategy could impact our results.

In addition, as a company that manages a portfolio of consumer brands, our ongoing business model includes a certain level of acquisition, joint venture and divestiture activities. We must be able to successfully manage the impacts of these activities, while at the same time delivering against our business objectives. Specifically, our financial results could be adversely impacted by the dilutive impacts from the loss of earnings associated with divested brands. Our financial results could also be impacted in the event of acquisitions or joint venture activities if: 1) changes in the cash flows or other market-based assumptions cause the value of acquired assets to fall below book value, or 2) we are not able to deliver the expected cost and growth synergies associated with such acquisitions and joint ventures, which could also have an impact on goodwill and intangible assets.

Our business results depend on our ability to successfully manage productivity improvements and ongoing organizational change.

Our financial projections assume certain ongoing productivity improvements and cost savings, including staffing adjustments as well as employee departures. Failure to deliver these planned productivity improvements and cost savings, while continuing to invest in business growth, could adversely impact our financial results. Additionally, successfully executing management transitions at leadership

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levels of the Company and retention of key employees is critical to our business success. We are generally a build-from-within company and our success is dependent on identifying, developing and retaining key employees to provide uninterrupted leadership and direction for our business. This includes developing and retaining organizational capabilities in key growth markets where the depth of skilled or experienced employees may be limited and competition for these resources is intense, as well as continuing the development and execution of robust leadership succession plans.

The United Kingdom s departure from the European Union could adversely impact our business and financial results.

On June 23, 2016, the United Kingdom held a referendum in which a majority of voters voted for the United Kingdom to exit the European Union (Brexit), the announcement of which resulted in significant currency exchange rate fluctuations and volatility in global stock markets. It is expected that the British government will commence negotiations to determine the terms of Brexit. Given the lack of comparable precedent, the implications of Brexit or how such implications might affect the Company are unclear. Brexit could, among other things, disrupt trade and the free movement of goods, services and people between the United Kingdom and the European Union or other countries as well as create legal and global economic uncertainty. These and other potential implications of Brexit could adversely affect the Company s business and financial results.

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REFINANCING TRANSACTIONS

On October 3, 2016, the Company delivered notice of its election to redeem all of its outstanding $1.25 billion in principal amount of 4.700% Notes due 2019 (the Redemption Securities) on November 3, 2016 (the Redemption).

On October 17, 2016, the Company commenced a debt tender offer (the Tender Offer) to purchase, for an aggregate purchase price of up to $1.25 billion in cash, the following Company debt securities (collectively, the Tender Offer Securities):

8.750% Debentures due 2022;

8.000% Debentures due 2024;

8.000% Debentures due 2029;

6.450% Debentures due 2026;

6.250% Notes due 2030;

5.125% Notes due 2017;

5.800% Notes due 2034;

5.500% Notes due 2034;

5.550% Notes due 2037;

5.250% Notes due 2033;

4.875% Notes due 2027; and

4.125% Notes due 2020.

On October 31, 2016, the Company announced that it has amended the terms of the Tender Offer to increase the maximum aggregate purchase price from $1.25 billion to $1.65 billion. Other than the increase in the maximum tender amount, all other terms and conditions of the Tender Offer remain unchanged. The Tender Offer will expire at midnight, New York City time, at the end of November 14, 2016, unless extended or terminated. The closing of this offering is not conditioned upon the consummation of the Tender Offer. However, the Tender Offer is subject to the satisfaction or waiver of the conditions described in the Offer to Purchase related to the Tender Offer, including the completion of one or more capital markets financing transactions, which may include this offering, on terms satisfactory to the Company. This Prospectus Supplement shall not constitute an offer to purchase or a solicitation of an offer to sell any of the Tender Offer Securities.

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SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The following summary consolidated financial information as of September 30, 2016 and for the three month periods ended September 30, 2016 and September 30, 2015 has been derived from our unaudited consolidated financial statements contained in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2016. The summary consolidated information as of June 30, 2016 has been derived from our audited consolidated financial statements contained in our Annual Report on Form 10-K for the fiscal year ended June 30, 2016. The results for the interim period ended September 30, 2016 are not necessarily indicative of the results for the full fiscal year.

	Three Months Ended September 30,	
	2016	2015
	(Amounts in Millions Except Per Share Amounts)	
NET SALES	$ 16,518	$ 16,527
Cost of products sold	8,102	8,152
Selling, general and administrative expense	4,645	4,607
OPERATING INCOME	3,771	3,768
Interest expense	131	140
Interest income	35	44
Other non-operating income/(loss), net	63	(18)
EARNINGS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	3,738	3,654
Income taxes on continuing operations	863	877
NET EARNINGS FROM CONTINUING OPERATIONS	2,875	2,777
NET EARNINGS/(LOSS) FROM DISCONTINUED OPERATIONS	(118)	(142)
NET EARNINGS	2,757	2,635
Less: Net earnings attributable to noncontrolling interests	43	34
NET EARNINGS ATTRIBUTABLE TO PROCTER & GAMBLE	$ 2,714	$ 2,601
BASIC NET EARNINGS PER COMMON SHARE:(1)		
Earnings from continuing operations	$ 1.03	$ 0.98
Earnings/(loss) from discontinued operations	(0.04)	(0.05)

BASIC NET EARNINGS PER COMMON SHARE		0.99		0.93
DILUTED NET EARNINGS PER COMMON SHARE:(1)				
Earnings from continuing operations	$	1.00	$	0.96
Earnings/(loss) from discontinued operations		(0.04)		(0.05)
DILUTED NET EARNINGS PER COMMON SHARE	$	0.96	$	0.91
DIVIDENDS PER COMMON SHARE	$	0.670	$	0.663
Diluted Weighted Average Common Shares Outstanding		2,822.9		2,867.5

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

	As of September 30, 2016	As of June 30, 2016
	(Amounts in Millions)	
WORKING CAPITAL	$ 2,770	$ 3,012
TOTAL ASSETS	$ 129,043	$ 127,136
LONG-TERM DEBT	$ 18,910	$ 18,945
SHAREHOLDERS EQUITY	$ 58,951	$ 57,983

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CONSOLIDATED RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for the periods indicated.

	Three Months Ended September 30,	
	2016	**2015**
Ratio of earnings to fixed charges (1)	21.5x	19.4x

(1) Earnings used to compute this ratio are earnings from operations before income taxes and before fixed charges (excluding interest capitalized during the period) and after eliminating undistributed earnings of equity method investees. Fixed charges consist of interest expense (including capitalized interest) and one-third of all rent expense (considered representative of the interest factor).

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering will be approximately $1.74 billion, after giving effect to estimated underwriting discounts and commissions and estimated offering expenses. We intend to use the net proceeds of this offering (i) to fund all or a portion of the purchase of the Tender Offer Securities as described under Refinancing Transactions, including fees and expenses related to the Tender Offer, and/or (ii) to fund all or a portion of the redemption of the Redemption Securities as described under Refinancing Transactions, and/or (iii) for general corporate purposes.

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CAPITALIZATION

The following table sets forth our and our subsidiaries consolidated capitalization at September 30, 2016.

		September 30, 2016 (in millions of dollars except per share amounts)
Debt:		
Commercial paper and other borrowings due within one year (1)	$	12,215
Long-term borrowings		18,910
Total Debt (2)		31,125
Shareholders Equity:		
Convertible Class A preferred stock, stated value $1 per share; 600,000,000 shares authorized, 100,473,755 outstanding		1,029
Non-Voting Class B preferred stock, stated value $1 per share; 200,000,000 shares authorized, none outstanding		
Common stock, stated value $1 per share; 10,000,000,000 shares authorized, 2,675,992,524 outstanding		4,009
Additional paid-in capital		63,553
Reserve for Employee Stock Ownership Plan debt retirement		(1,271)
Accumulated other comprehensive income/(loss)		(15,943)
Treasury stock		(81,970)
Retained earnings		88,855
Noncontrolling interest		689
Total Shareholders Equity		58,951
Total Capitalization	$	90,076

(1) Includes $1.9 billion equivalent to current portion of long-term debt due within one year. We maintain credit facilities in support of our short-term commercial paper borrowings. At September 30, 2016 our credit lines with banks amounted to $8.0 billion and were undrawn.

(2) Total debt includes $30.8 billion of The Procter & Gamble Company debt. The balance of debt is held by subsidiaries. In addition, total debt at September 30, 2016 does not reflect (1) $1.75 billion of notes offered hereby, (2) the redemption of the Redemption Securities or (3) any purchase of Tender Offer Securities in the Tender Offer.

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DESCRIPTION OF THE NOTES

The following description of the particular terms of the 1.700% notes and the 2.450% notes supplements the more general description of the debt securities contained in the accompanying prospectus. If there are any inconsistencies between the information in this section and the information in the prospectus, the information in this section controls.

Investors should read this section together with the section ent>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

	PEBBLEBROOK HOTEL TRUST	
Date: February 22, 2017	By:	/s/ Raymond D. Martz Raymond D. Martz Executive Vice President, Chief Financial Officer, Treasurer and Secretary

EXHIBIT INDEX

Exhibit No.	Description
10.1†	Amendment No. 2 to the Pebblebrook Hotel Trust 2009 Equity Incentive Plan, as amended and restated effective July 10, 2012, effective July 7, 2016.

† Filed herewith.