PROCTER & GAMBLE NYSE-PG

RECENT PRICE	77	P/E RATIO	28.3 (Trailing: 30.1 Median: 17.0)	RELATIVE P/E RATIO	2.05	DIV'D YLD	1.5%	VALUE LINE

TIMELINESS 3 Lowered 9/19/97

SAFETY 1 New 7/27/90

TECHNICAL 3 Lowered 11/7/97

BETA 1.00 (1.00 = Market)

High:	12.9	11.0	17.6	22.8	23.8	27.9	29.4	32.3	44.8	55.5	83.4	94.0
Low:	7.5	8.8	10.5	15.4	19.0	22.6	22.6	25.6	30.3	39.7	51.8	65.1

Target Price Range

2001	2002	2003

2001-03 PROJECTIONS

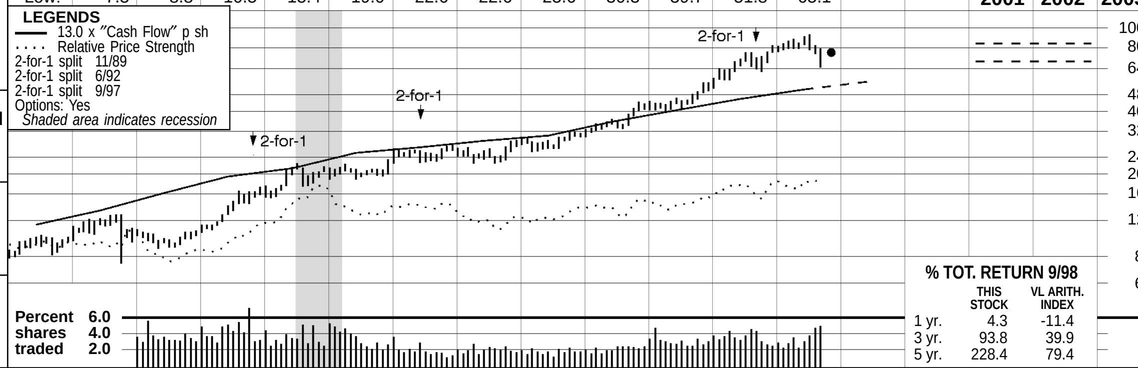
	Price	Gain	Ann'l Total Return
High	85	(+10%)	*4%*
Low	70	(-10%)	*Nil*

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	5	0	2	16	0	2	3	0	0
to Sell	10	0	2	16	0	2	2	0	0

Institutional Decisions

	4Q1997	1Q1998	2Q1998
to Buy	408	391	387
to Sell	381	417	437
Hld's(000)	637396	646204	647518



% TOT. RETURN 9/98

	THIS STOCK	VL ARITH. INDEX
1 yr.	4.3	-11.4
3 yr.	93.8	39.9
5 yr.	228.4	79.4

1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	© VALUE LINE PUB., INC.	01-03
9.06	9.39	9.69	10.12	11.47	12.57	14.27	16.51	17.38	19.98	21.63	22.32	22.14	24.35	25.73	26.48	27.78	*29.80*	Sales per sh A	*35.60*
.78	.88	.89	.75	.89	1.04	1.26	1.51	1.65	1.96	2.08	2.24	2.37	2.76	3.14	3.55	3.94	*4.30*	"Cash Flow" per sh	*5.75*
.58	.64	.65	.48	.53	.57	.75	.89	1.03	1.23	1.31	1.41	1.55	1.86	2.15	2.43	2.56	*2.80*	Earnings per sh B	*4.00*
.26	.28	.30	.33	.33	.34	.34	.38	.44	.49	.52	.55	.62	.70	.80	.90	1.01	*1.14*	Div'ds Decl'd per sh C ■	*1.60*
.48	.47	.69	.84	.79	.68	.71	.79	.94	1.46	1.41	1.40	1.35	1.56	1.59	1.58	1.91	*1.95*	Cap'l Spending per sh	*2.25*
3.15	3.47	3.80	3.94	4.24	4.24	4.68	4.02	4.71	4.25	5.22	4.01	5.03	6.32	7.17	7.54	7.79	*8.45*	Book Value per sh D	*14.60*
1323.2	1326.2	1335.9	1339.4	1346.1	1352.2	1354.9	1295.9	1385.2	1352.4	1357.6	1363.5	1368.7	1373.1	1371.2	1350.8	1337.5	*1320.00*	Common Shs Outst'g E	*1320.00*
8.5	10.5	10.2	14.6	15.8	18.0	14.4	12.2	16.2	16.7	17.4	17.8	17.5	17.1	19.0	22.6	30.8		Avg Ann'l P/E Ratio	*19.0*
.94	.89	.95	1.19	1.07	1.20	1.20	.92	1.20	1.07	1.06	1.05	1.15	1.14	1.19	1.30	1.61		Relative P/E Ratio	*1.35*
5.2%	4.2%	4.5%	4.7%	4.0%	3.3%	3.2%	3.4%	2.6%	2.4%	2.3%	2.2%	2.3%	2.2%	2.0%	1.6%	1.3%		Avg Ann'l Div'd Yield	*2.1%*

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999		01-03
19336	21398	24081	27026	29362	30433	30296	33434	35284	35764	37154	*39300*	Sales ($mill)	*47000*
12.9%	13.1%	12.6%	13.5%	13.3%	14.1%	15.6%	16.2%	17.5%	19.5%	20.6%	*21.0%*	Operating Margin	*22.5%*
697.0	767.0	859.0	956.0	1051.0	1140.0	1134.0	1253.0	1358.0	1487.0	1598.0	*1700*	Depreciation ($mill)	*2000*
1020.0	1206.0	1477.0	1773.0	1872.0	2015.0	2211.0	2645.0	3046.0	3415.0	3780.0	*4065*	Net Profit ($mill)	*5700*
37.4%	37.8%	35.7%	34.0%	35.1%	34.0%	33.9%	33.9%	34.8%	34.9%	33.8%	*34.0%*	Income Tax Rate	*34.0%*
5.3%	5.6%	6.1%	6.6%	6.4%	6.6%	7.3%	7.9%	8.6%	9.5%	10.2%	*10.5%*	Net Profit Margin	*12.1%*
1369.0	1922.0	2227.0	1702.0	1724.0	1688.0	1948.0	2194.0	2982.0	2988.0	1327.0	*1900*	Working Cap'l ($mill)	*6500*
2462.0	3698.0	3588.0	4111.0	5223.0	5174.0	4980.0	5161.0	4670.0	4143.0	5765.0	*6000*	Long-Term Debt ($mill)	*7500*
6337.0	6215.0	7518.0	7736.0	9071.0	7441.0	8832.0	10589	11722	12046	12236	*13000*	Shr. Equity ($mill)	*21000*
13.1%	13.8%	15.0%	16.2%	14.3%	17.3%	17.4%	18.0%	19.7%	22.2%	22.1%	*22.5%*	Return on Total Cap'l	*21.0%*
16.1%	19.4%	19.6%	22.9%	20.6%	27.1%	25.0%	25.0%	26.0%	28.3%	30.9%	*31.5%*	Return on Shr. Equity	*27.0%*
8.6%	13.2%	12.9%	17.8%	15.3%	21.3%	18.3%	18.2%	18.7%	20.5%	22.3%	*22.0%*	Retained to Com Eq	*18.0%*
47%	43%	43%	42%	42%	42%	43%	40%	39%	39%	39%	*40%*	All Div'ds to Net Prof	*39%*

CAPITAL STRUCTURE as of 6/30/98
Total Debt $8046 mill. **Due in 5 Yrs** $2580 mill.
LT Debt $5765 mill. **LT Interest** $400.0 mill.
(Total interest coverage: 11.4x) (32% of Cap'l)
Pension Liability $829.0 mill. in '98 vs. $327.0 mill. in '97.
Pfd Stock $1821 mill. **Pfd Div'd** $104.0 mill.
(ESOP owns 60,635,000 Class A shares and 37,805,000 Class B shares; each A and B pfd. share is convertible into one common share.) (10% of Cap'l)
Common Stock 1,337,461,000 shs. (58% of Cap'l)
as of 6/30/98 (1466.8 mill. fully dil. shares)
MARKET CAP: $103 billion (Large Cap)

CURRENT POSITION ($MILL.)	1996	1997	6/30/98
Cash Assets	2520	3110	2406
Receivables	2841	2738	2781
Inventory (LIFO)	3130	3087	3284
Other	2316	1851	2106
Current Assets	10807	10786	10577
Accts Payable	2366	2203	2051
Debt Due	1116	849	2281
Other	4343	4746	4918
Current Liab.	7825	7798	9250

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '96-'98 to '01-'03
Sales	7.5%	4.5%	*6.0%*
"Cash Flow"	13.0%	11.0%	*10.0%*
Earnings	14.5%	12.5%	*11.0%*
Dividends	10.5%	12.0%	*12.0%*
Book Value	5.5%	11.0%	*14.0%*

Fiscal Year Ends	QUARTERLY SALES ($ mill.) A Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
1995	8161	8467	8312	8494	33434
1996	9027	9090	8587	8580	35284
1997	8903	9142	8771	8948	35764
1998	9355	9641	8881	9277	37154
1999	*9550*	*9950*	*9700*	*10100*	*39300*

Fiscal Year Ends	EARNINGS PER SHARE A B Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
1995	.56	.53	.44	.33	1.86
1996	.64	.59	.54	.38	2.15
1997	.65	.63	.59	.41	2.28
1998	.73	.71	.65	.47	2.56
1999	*.76*	*.75*	*.74*	*.55*	*2.80*

Cal-endar	QUARTERLY DIVIDENDS PAID C■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
1994	.155	.155	.175	.175	.66
1995	.175	.175	.20	.20	.75
1996	.20	.20	.225	.225	.85
1997	.225	.225	.253	.253	.96
1998	.253	.253	.285		

BUSINESS: The Procter & Gamble Company makes detergents, soaps, toiletries, foods, paper, & industrial products. Brands include: *Tide, Cheer, Bold, Oxydol, Era, Crest, Ivory, Zest, Coast, Safeguard, Dawn, Joy, Cascade, Always, Tampax, Downy, Pringles, Bounce, Comet, Head & Shoulders, Prell, Scope, Secret, Bounty, Charmin, Pampers, Luvs, Crisco, Jif, Folger's, Cover Girl, Noxzema, Old Spice, Hawaiian Punch*. Foreign oper.: 35% of '98 prof. Has about 110,000 employees, 273,000 stockholders. '98 depr. rate: 7.9%. Est'd plant age: 5 yrs. ESOP controls about 7% of com. (and equiv.) shares (9/98 proxy). C.E.O.: John Pepper. C.O.O.: Durk Jager. Inc.: Ohio. Addr.: 1 Procter & Gamble Plaza, Cincinnati, Ohio 45202. Tel.: 513-983-1100. Internet: www.pg.com.

Procter & Gamble's earnings momentum is slowing. After a decade in which share net grew at a 14.5% annualized pace, profit growth is decelerating. Although management thinks a strong finish in 1999 will compensate for expected single-digit earnings growth in the first half, PG faces challenges that will follow it into the new millennium.

Volume growth across many of its product lines continues to stagnate. Rivals have taken their time following PG's lead in raising prices. As a result, North American volume will likely be flat this quarter due to weakness in the laundry, tissue/towel, and hair care segments. In Western Europe, two competitors, Unilever and Henkel, have introduced detergent tablets into the laundry mix, forcing PG to spend more to defend its market share. Moreover, SG&A costs are rising, as the company has been increasing budgets to roll out improved products and to develop new ones.

The company is also exposed to economic tribulations overseas. Having already taken hits in Japan, Korea and Russia, PG is bracing for problems in China, where the economy is slowing and discretionary spending is shrinking. Should the Asian contagion spread its ruin to Eastern Europe, another 5% of company sales would be compromised by weakening currencies and plummeting demand.

Against this shifting economic landscape, Procter & Gamble will change its CEO. In January, 1999, Durk Jager will replace John Pepper as chief executive officer, and later that year, succeed him as chairman. Jager's immediate charge will be to reorganize the corporate structure along global product lines, rather than geographic segments.

These shares, ranked 3 for Timeliness, have declined 16% since our last report. Management has revised first-quarter estimates downwards, preparing investors for the impact of foreign operations on September earnings. Although the company will spend more than a billion dollars this year to buy back stock, neither repurchasing shares nor cutting costs will be enough to replicate the earnings growth of the past ten years. To accomplish that, PG will need to jump-start its top line.

Luciano Siracusano III *October 16, 1998*

(A) Fiscal year ends June 30.
(B) Based on average shares thru '96, diluted thereafter. Excl. nonrecurring gains (losses): '82, $0.01; '83, $0.02; '84, $0.03; '87, ($0.03); '90, $0.09; '93 ($1.95). Next earnings report due late October.
(C) Next div'd meet'g about Jan 10. Goes ex about Jan 20. Dividend payment dates: Feb. 15, May 15, Aug. 15, Nov. 15. ■ Div'd reinv. plan available.
(D) Incl. intang. In '98: $7011 mill., $5.25/sh.
(E) In mill., adj. for stock splits.

Company's Financial Strength	A++
Stock's Price Stability	85
Price Growth Persistence	100
Earnings Predictability	100