



## How To Keep Stock Records

It is your responsibility as a shareholder to keep records of your stock transactions. Those records should include:

1. Stock purchase price (adjusted for any stock splits and/or spin mergers)
2. Date of Purchase or Acquisition
3. Stock sale price
4. Date Stock Sold or Transferred

Procter & Gamble Shareholders receive an annual statement detailing all transactions for the given year. **Please retain those statements for your tax records.**

When shares are purchased through a broker (or other financial institution), retain broker statements illustrating purchase and sale information. This information is not available to Procter & Gamble, but may be available from the broker or financial institution.

Keep an accurate account of what has happened – as it happens. (See example worksheet on the reverse side.) Start with the earliest stock acquired and move forward. When recording stock issuance as the result of a stock split or spin/merge, remember to adjust all previous purchase prices in the stock split and/or spin/merge adjustment columns.

Procter & Gamble Shareholder Services Representatives are not permitted to act as, nor have they been trained as, tax advisors and cannot answer questions concerning cost basis calculations or tax liability. If you have questions, contact a tax advisor or the Internal Revenue Service (IRS).

The following is a list of historical stock splits and spin/mergers since 1950.

<u>Date</u>	<u>Type of Split</u>
03/21/50	1 ½ for 1 split
06/22/56	2 for 1 split
03/17/61	2 for 1 split
04/24/70	2 for 1 split
01/21/83	2 for 1 split
10/20/89	2 for 1 split
06/12/92	2 for 1 split
09/19/97	2 for 1 split
05/29/02	Spin/Merge
06/18/04	2 for 1 split

Please see reverse side for an example of P&G Stock Record Keeping.



## EXAMPLE OF P&G STOCK RECORD KEEPING

P&G STOCK ACQUIRED				STOCK SOLD							
Type of Transaction	Transaction Date	Shares	Original Cost per Share	Adjusted for Stock Split			Adjusted for Spin-Off	Date	Shares	Price	Gain/Loss
				② 06/12/92	③ 09/19/97						
① Purchase	01/29/92	20	\$104.00	\$52.00	\$26.00			④ 05/26/98	20	\$83.50	⑤ \$1,150.00
② Stock Split	06/12/92	20	\$52.00		\$26.00		⑦ \$25.81				
③ Stock Split	09/19/97	40	\$26.00				\$25.81				

### SUMMARY OF EXAMPLE TRANSACTIONS:

- ① A stock purchase was made on 01/29/92, \$2,080 was invested purchasing 20 shares at \$104.00 per share.
- ② A 2 for 1 stock split occurred on 06/12/92, 20 shares were credited for the 20 shares already held, making the account balance 40 shares. The cost basis price is divided by 2 making the new cost basis \$52.00 per share. The new "split shares" have the same cost basis of \$52.00 per share.
- ③ Another 2 for 1 stock split occurred on 09/19/97, 40 shares were credited for the 40 shares already held, making the account balance 80 shares. The cost basis price is again divided by 2 making the new cost basis \$26.00 per share. The new "split shares" have the same cost basis of \$26.00 per share.
- ④ Twenty shares were sold on 05/26/98, the sale price was \$83.50 per share. To calculate the capital gain or loss per share:

$$\begin{array}{r}
 \text{Sale price share:} \quad 83.50 \\
 - \text{Cost basis price share:} \quad -26.00 \\
 \hline
 = \text{Capital gain or loss per share:} \quad 57.50
 \end{array}$$

- ⑤ The capital gain for this sale was \$57.50 per share, multiplied by the 20 shares sold, \$1,150.00 is the capital gain that would be claimed for this sale of stock.
- ⑥ A spin/merge of the Crisco and Jif brands to Smucker occurred on 5/29/02, shareholders of record were issued one share of Smucker stock for every 50 shares of P&G stock. The current account balance of P&G stock was 60 shares, so 1.2 shares of Smucker stock were issued ( $60 / 50 = 1.2$ ). The fractional share was sold at the time of the transaction and a new Smucker account was credited for 1 share\*.
- ⑦ To calculate the new cost basis per share of P&G stock and the new cost basis per share of Smucker stock received in the transaction:

Cost Basis of P&G Stock prior to Spin/Merge :	60 shares x \$26 per share =	\$1,560.00
Value of P&G Stock on 5/31/02 :	60 shares x \$89.05 / share =	\$ 5,343.00
+ Value of Smucker Stock on 5/31/02 :	1.2 shares x (\$33.20 / .9451) share =	\$ 42.15
= Total Fair Market Value :		\$ 5,385.15
Cost Basis Ratio for P&G Stock (Percent of Total Fair Market Value P&G stock represents) :	$\$5,343 / \$5,385.15 =$	99.217%
Cost Basis Ratio for Smucker Stock (Percent of Total Fair Market Value Smucker stock represents) :	$\$42.15 / \$5,385.15 =$	0.783%
Cost Basis of P&G stock adjusted for Spin/Merge :	$99.217\% \times \$1,560 =$	\$1,547.79
+ Cost Basis of Smucker stock adjusted for Spin/Merge :	$0.783\% \times \$1,560 =$	\$ 12.21
= Total New Cost Basis after Spin/Merge :		\$1,560.00
New Cost Basis per share of P&G stock :	$\$1,547.79 / 60 \text{ shares} =$	\$25.80
New Cost Basis per share of Smucker stock :	$\$12.21 / 1.2 \text{ shares} =$	\$ 10.18

### EXAMPLE SMUCKER STOCK RECORD KEEPING FORM

SMUCKER STOCK ACQUIRED				STOCK SOLD							
Type of Transaction	Transaction Date	Shares	Cost per Share	Adjusted for Stock Split				Date	Shares	Price	Gain/Loss
				/ /	/ /	/ /	/ /				
⑦ Spin/Merge	05/29/02	1	\$9.60								

\* For additional information on Smucker stock, please contact their transfer agent at 800-456-1169 or visit their website at [www.smuckers.com](http://www.smuckers.com).