

Earnings Preview: Procter & Gamble

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Procter & Gamble Co., the world's largest consumer products maker, reports fourth-quarter earnings Tuesday before the market opens.

WHAT TO WATCH FOR: Whether the company's sales momentum continues from a combination of price cuts, cheaper versions of top brands, new premium products and stepped-up marketing. P&G's results improved in the first three quarters of the fiscal year that ended June 30, after a rough prior year in the recession that saw households tighten up and trade down.

P&G says while competing on price, it has also stoked innovation pipelines, with an overhaul of Tide laundry detergent, the Gillette ProGlide razor and Gain dishwashing liquid among launches for this summer.

Another major new product this year, Pampers Dry Max diapers, has been dogged by online critics; claims they can cause severe rashes have led to lawsuits and a federal safety probe. P&G has vigorously rejected the claims, but the quarter's sales could indicate their impact.

WHY IT MATTERS: P&G's broad portfolio is full of things people use every day, from Crest toothpaste to Gillette shavers to Charmin toilet paper, offering a gauge of how households are managing their weekly budgets. Results likely will also reflect how much discounting and bumped-up marketing are biting into profit margins for a Wall Street bellwether.

WHAT'S EXPECTED: Analysts polled by Thomson Reuters expect the company to earn 73 cents per share on revenue of \$19.1 billion.

LAST YEAR'S QUARTER: P&G earned nearly \$2.5 billion, or 80 cents per share, on revenue of \$18.7 billion.

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