

Table 1

Colgate-Palmolive Company
Consolidated Income Statements
For the Three Months Ended December 31, 2010 and 2009
(in Millions Except Per Share Amounts) (Unaudited)

	2010	2009
Net sales	\$ 3,978	\$ 4,081
Cost of sales	1,628	1,654
Gross profit	2,350	2,427
Gross profit margin	59.1%	59.5%
Selling, general and administrative expenses	1,376	1,397
Other (income) expense, net	69	39
Operating profit	905	991
Operating profit margin	22.8%	24.3%
Interest expense, net	16	18
Income before income taxes	889	973
Provision for income taxes	238	317
Effective tax rate	26.8%	32.6%
Net income including noncontrolling interests	651	656
Less: Net income attributable to noncontrolling interests	27	25
Net income attributable to Colgate-Palmolive Company	\$ 624	\$ 631
Earnings per common share		
Basic	\$ 1.28	\$ 1.25
Diluted	\$ 1.24	\$ 1.21
Average common shares outstanding		
Basic	481.7	497.4
Diluted	503.1	523.3

Table 2

Colgate-Palmolive Company
Consolidated Income Statements
For the Twelve Months Ended December 31, 2010 and 2009
(in Millions Except Per Share Amounts) (Unaudited)

	<u>2010</u>	<u>2009</u>
Net sales	\$ 15,564	\$ 15,327
Cost of sales	6,360	6,319
Gross profit	9,204	9,008
Gross profit margin	59.1%	58.8%
Selling, general and administrative expenses	5,414	5,282
Other (income) expense, net	301	111
Operating profit	3,489	3,615
Operating profit margin	22.4%	23.6%
Interest expense, net	59	77
Income before income taxes	3,430	3,538
Provision for income taxes	1,117	1,141
Effective tax rate	32.6%	32.2%
Net income including noncontrolling interests	2,313	2,397
Less: Net income attributable to noncontrolling interests	110	106
Net income attributable to Colgate-Palmolive Company	\$ 2,203	\$ 2,291
Earnings per common share		
Basic	\$ 4.45	\$ 4.53
Diluted	\$ 4.31	\$ 4.37
Average common shares outstanding		
Basic	487.8	499.5
Diluted	510.9	524.6

Table 3

Colgate-Palmolive Company
Non-GAAP Reconciliation
For the Three Months Ended December 31, 2010 and 2009
(in Millions Except Per Share Amounts) (Unaudited)

	2010					2009	
	As Reported ¹	Termination benefits	Gain on sale of non-core product lines	Tax initiatives	As Adjusted Non-GAAP ¹	As Reported	
Other (income) expense, net	\$ 69	\$ 86	\$ (50)	\$ -	\$ 33	\$	39
Operating profit	905	(86)	50	-	941		991
Operating profit margin	22.8%				23.7%		24.3%
Income before income taxes	889	(86)	50	-	925		973
Provision for income taxes	238	(25)	20	(31)	274		317
Net income including noncontrolling interests	651	(61)	30	31	651		656
Net income attributable to Colgate-Palmolive Company	\$ 624	\$ (61)	\$ 30	\$ 31	\$ 624	\$	631
Earnings per common share ²							
Basic	\$ 1.28	\$ (0.13)	\$ 0.06	\$ 0.06	\$ 1.28	\$	1.25
Diluted	\$ 1.24	\$ (0.12)	\$ 0.06	\$ 0.06	\$ 1.24	\$	1.21

¹ Includes a \$36 pretax loss (\$2 aftertax gain) related to the remeasurement of the Venezuelan balance sheet and lower taxes on accrued but unpaid remittances resulting from the currency devaluation announced in December 2010.

² Basic and diluted earnings per share are computed independently for each quarter and the year to date period presented. As a result of changes in shares outstanding during the year and rounding, the sum of the quarters' earnings per share may not necessarily equal the earnings per share for the year to date period. In addition, the cumulative impact of Non-GAAP adjustments on the basic and diluted earnings per share may not necessarily equal the difference between "As Reported" and "As Adjusted Non-GAAP" as a result of rounding.

Table 4

Colgate-Palmolive Company
Non-GAAP Reconciliation
For the Twelve Months Ended December 31, 2010 and 2009
(in Millions Except Per Share Amounts) (Unaudited)

	2010						2009	
	As Reported ¹	Venezuela Hyperinflationary ²	Termination benefits	Gain on sale of non- core product lines	Tax initiatives	As Adjusted Non-GAAP ¹	As Reported	
Other (income) expense, net	\$ 301	\$ 271	\$ 86	\$ (50)	\$ -	\$ (6)	\$ 111	
Operating profit	3,489	(271)	(86)	50	-	3,796	3,615	
Operating profit margin	22.4%					24.4%	23.6%	
Income before income taxes	3,430	(271)	(86)	50	-	3,737	3,538	
Provision for income taxes	1,117	-	(25)	20	(31)	1,153	1,141	
Net income including noncontrolling interests	2,313	(271)	(61)	30	31	2,584	2,397	
Net income attributable to Colgate-Palmolive Company	\$ 2,203	\$ (271)	\$ (61)	\$ 30	\$ 31	\$ 2,474	\$ 2,291	
Earnings per common share ³								
Basic	\$ 4.45	\$ (0.56)	\$ (0.13)	\$ 0.06	\$ 0.06	\$ 5.00	\$ 4.53	
Diluted	\$ 4.31	\$ (0.53)	\$ (0.12)	\$ 0.06	\$ 0.06	\$ 4.84	\$ 4.37	

¹ Includes a \$46 pretax gain (\$59 aftertax gain, \$0.12 diluted earnings per share) related to the remeasurement of the Venezuelan balance sheet and lower taxes on accrued but unpaid remittances resulting from the currency devaluation in January 2010 and a \$36 pretax loss (\$2 aftertax gain) related to the remeasurement of the Venezuelan balance sheet and lower taxes on accrued but unpaid remittances resulting from the currency devaluation announced in December 2010.

² Represents the one-time charge related to the transition to hyperinflationary accounting in Venezuela as of January 1, 2010. This amount primarily represents the premium paid to acquire U.S. dollar-denominated cash and bonds. Prior to January 1, 2010, these assets had been remeasured at the parallel market rate and then translated for financial reporting purposes at the official rate of 2.15.

³ Basic and diluted earnings per share are computed independently for each quarter and the year to date period presented. As a result of changes in shares outstanding during the year and rounding, the sum of the quarters' earnings per share may not necessarily equal the earnings per share for the year to date period. In addition, the cumulative impact of Non-GAAP adjustments on the basic and diluted earnings per share may not necessarily equal the difference between "As Reported" and "As Adjusted Non-GAAP" as a result of rounding.

Table 5

Colgate-Palmolive Company
Condensed Consolidated Balance Sheets
As of December 31, 2010 and 2009
(Dollars in Millions) (Unaudited)

	December 31, 2010	December 31, 2009
	<u> </u>	<u> </u>
Cash and cash equivalents	\$ 490	\$ 600
Receivables, net	1,610	1,626
Inventories	1,222	1,209
Other current assets	408	375
Property, plant and equipment, net	3,693	3,516
Other assets, including goodwill and intangibles	3,749	3,808
Total assets	<u>\$ 11,172</u>	<u>\$ 11,134</u>
Total debt	3,424	3,182
Other current liabilities	3,119	3,238
Other non-current liabilities	1,812	1,457
Total liabilities	<u>8,355</u>	<u>7,877</u>
Total Colgate-Palmolive Company shareholders' equity	2,675	3,116
Noncontrolling interests	142	141
Total liabilities and shareholders' equity	<u>\$ 11,172</u>	<u>\$ 11,134</u>
Supplemental Balance Sheet Information		
Debt less cash, cash equivalents and marketable securities*	\$ 2,860	\$ 2,541
Working capital % of sales	0.3%	(0.4%)

* Marketable securities of \$74 and \$41 as of December 31, 2010 and 2009, respectively, are included in Other current assets.

Table 6

Colgate-Palmolive Company
Condensed Consolidated Statements of Cash Flows
For the Twelve Months Ended December 31, 2010 and 2009
(Dollars in Millions) (Unaudited)

	<u>2010</u>	<u>2009</u>
Operating Activities		
Net income including noncontrolling interests	\$ 2,313	\$ 2,397
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Venezuela hyperinflationary transition charge	271	-
Restructuring, net of cash	-	(18)
Depreciation and amortization	376	351
Termination benefits	86	-
Gain before tax on sale of non-core product lines	(50)	(5)
Stock-based compensation expense	121	117
Deferred income taxes	29	(23)
Cash effects of changes in:		
Receivables	40	57
Inventories	(10)	44
Accounts payable and other accruals	(65)	294
Other non-current assets and liabilities	100	63
Net cash provided by operations	<u>3,211</u>	<u>3,277</u>
Investing Activities		
Capital expenditures	(550)	(575)
Sale of property and non-core product lines	42	17
Purchases of marketable securities and investments	(308)	(289)
Proceeds from sales of marketable securities and investments	167	-
Other	(9)	6
Net cash used in investing activities	<u>(658)</u>	<u>(841)</u>
Financing Activities		
Principal payments on debt	(4,719)	(3,950)
Proceeds from issuance of debt	5,015	3,424
Dividends paid	(1,142)	(981)
Purchases of treasury shares	(2,020)	(1,063)
Proceeds from exercise of stock options and excess tax benefits	242	300
Net cash used in financing activities	<u>(2,624)</u>	<u>(2,270)</u>
Effect of exchange rate changes on Cash and cash equivalents	<u>(39)</u>	<u>(121)</u>
Net increase (decrease) in Cash and cash equivalents	(110)	45
Cash and cash equivalents at beginning of period	600	555
Cash and cash equivalents at end of period	<u>\$ 490</u>	<u>\$ 600</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (Net cash provided by operations less capital expenditures)		
Net cash provided by operations	\$ 3,211	\$ 3,277
Less: Capital expenditures	<u>(550)</u>	<u>(575)</u>
Free cash flow before dividends	<u>\$ 2,661</u>	<u>\$ 2,702</u>
Income taxes paid	\$ 1,123	\$ 1,098

Table 7

Colgate-Palmolive Company

Segment Information

For the Three and Twelve Months Ended December 31, 2010 and 2009

(Dollars in Millions) (Unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Net sales				
Oral, Personal and Home Care				
North America	\$ 731	\$ 746	\$ 3,005	\$ 2,950
Latin America	1,131	1,222	4,261	4,319
Europe/South Pacific	805	865	3,220	3,271
Greater Asia/Africa	759	683	2,998	2,655
Total Oral, Personal and Home Care	3,426	3,516	13,484	13,195
Pet Nutrition	552	565	2,080	2,132
Total Net sales	\$ 3,978	\$ 4,081	\$ 15,564	\$ 15,327

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2010	2009	2010	2009
Operating profit				
Oral, Personal and Home Care				
North America	\$ 216	\$ 235	\$ 884	\$ 843
Latin America ¹	320	373	1,295	1,360
Europe/South Pacific	170	209	742	748
Greater Asia/Africa	194	174	767	631
Total Oral, Personal and Home Care	900	991	3,688	3,582
Pet Nutrition	146	148	559	555
Corporate ²	(141)	(148)	(758)	(522)
Total Operating profit	\$ 905	\$ 991	\$ 3,489	\$ 3,615

Note: The Company evaluates segment performance based on several factors, including Operating profit. The Company uses Operating profit as a measure of the operating segment performance because it excludes the impact of corporate-driven decisions related to interest expense and income taxes.

¹ Latin America Operating profit for the twelve months ended December 31, 2010 includes a \$10 pretax gain related to the remeasurement of the Venezuelan balance sheet, including a \$46 pretax gain resulting from the currency devaluation on January 8, 2010 and a \$36 pretax loss resulting from the announced currency devaluation on December 30, 2010.

² Corporate operations include stock-based compensation related to stock options and restricted stock awards, research and development costs, Corporate overhead costs, restructuring and related implementation costs and gains and losses on sales of non-core product lines and assets. Corporate Operating profit for the twelve months ended December 31, 2010 includes a one-time \$271 charge related to the transition to hyperinflationary accounting in Venezuela as of January 1, 2010, a fourth quarter \$86 pretax charge for termination benefits and a fourth quarter \$50 pretax gain on sale of non-core product lines.

Table 8

Colgate-Palmolive Company
Geographic Sales Analysis
Percentage Changes - Fourth Quarter 2010 vs 2009
December 31, 2010
(Unaudited)

<u>Region</u>	<u>4th Qtr Sales Change As Reported</u>	<u>4th Qtr Organic Sales Change</u>	COMPONENTS OF SALES CHANGE FOURTH QUARTER			<u>12 Months Sales Change As Reported</u>	<u>12 Months Organic Sales Change</u>	COMPONENTS OF SALES CHANGE TWELVE MONTHS		
			<u>Volume</u>	<u>Pricing Coupons Consumer & Trade Incentives</u>	<u>Exchange</u>			<u>Volume</u>	<u>Pricing Coupons Consumer & Trade Incentives</u>	<u>Exchange</u>
Total Company	(2.5%)	1.0%	1.0%	0.0%	(3.5%)	1.5%	3.0%	3.0%	0.0%	(1.5%)
Europe/South Pacific	(7.0%)	(3.0%)	0.0%	(3.0%)	(4.0%)	(1.5%)	(1.0%)	2.0%	(3.0%)	(0.5%)
Latin America	(7.5%)	3.5%	(1.5%)	5.0%	(11.0%)	(1.5%)	7.5%	2.0%	5.5%	(9.0%)
Greater Asia/Africa	11.0%	8.0%	9.0%	(1.0%)	3.0%	13.0%	9.0%	10.5%	(1.5%)	4.0%
Total International	(2.5%)	3.0%	2.0%	1.0%	(5.5%)	2.5%	5.5%	4.0%	1.5%	(3.0%)
North America	(2.0%)	(2.5%)	1.5%	(4.0%)	0.5%	2.0%	1.0%	3.5%	(2.5%)	1.0%
Total CP Products	(2.5%)	1.5%	1.5%	0.0%	(4.0%)	2.0%	4.0%	4.0%	0.0%	(2.0%)
Hill's	(2.0%)	(2.0%)	(1.0%)	(1.0%)	0.0%	(2.5%)	(3.5%)	(2.0%)	(1.5%)	1.0%

Table 9

Colgate-Palmolive Company
Non-GAAP Effective Tax Rate Reconciliation
For the Three Months Ended December 31, 2010 and 2009
(Dollars in Millions) (Unaudited)

	2010					2009	
	As Reported	Venezuela Devaluation - December	Termination benefits	Gain on sale of non- core product lines	Tax initiatives	As Adjusted Non-GAAP	As Reported
Income before income taxes	\$ 889	\$ (36)	\$ (86)	\$ 50	\$ -	\$ 961	\$ 973
Provision for income taxes	238	(38)	(25)	20	(31)	312	317
Effective tax rate	26.8%					32.5%	32.6%

Non-GAAP Effective Tax Rate Reconciliation
For the Twelve Months Ended December 31, 2010 and 2009
(Dollars in Millions) (Unaudited)

	2010							2009	
	As Reported	Venezuela Hyperinflationary	Venezuela Devaluation - January	Venezuela Devaluation - December	Termination benefits	Gain on sale of non-core product lines	Tax initiatives	As Adjusted Non-GAAP	As Reported
Income before income taxes	\$ 3,430	\$ (271)	\$ 46	\$ (36)	\$ (86)	\$ 50	\$ -	\$ 3,727	\$ 3,538
Provision for income taxes	1,117	-	(13)	(38)	(25)	20	(31)	1,204	1,141
Effective tax rate	32.6%							32.3%	32.2%