

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2017 and 2016

(Dollars in Millions Except Per Share Amounts) (Unaudited)

	2017	2016	
Gross Profit			
Gross profit, GAAP	\$ 2,300	\$ 2,304	
2012 Restructuring Program	21	12	
Gross profit, non-GAAP	<u>\$ 2,321</u>	<u>\$ 2,316</u>	
			Basis Point
Gross Profit Margin	2017	2016	Change
Gross profit margin, GAAP	60.1 %	59.9 %	20
2012 Restructuring Program	0.6 %	0.3 %	
Gross profit margin, non-GAAP	<u>60.7 %</u>	<u>60.2 %</u>	<u>50</u>
Selling, General and Administrative Expenses	2017	2016	
Selling, general and administrative expenses, GAAP	\$ 1,333	\$ 1,320	
2012 Restructuring Program	(17)	(14)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,316</u>	<u>\$ 1,306</u>	
			Basis Point
Selling, General and Administrative Expenses as a Percentage of Net Sales	2017	2016	Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.8 %	34.3 %	50
2012 Restructuring Program	(0.4)%	(0.3)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.4 %</u>	<u>34.0 %</u>	<u>40</u>
Other (Income) Expense, Net	2017	2016	
Other (income) expense, net, GAAP	\$ 114	\$ 40	
2012 Restructuring Program	(104)	(33)	
Other (income) expense, net, non-GAAP	<u>\$ 10</u>	<u>\$ 7</u>	
Operating Profit	2017	2016	% Change
Operating profit, GAAP	\$ 853	\$ 944	(10)%
2012 Restructuring Program	142	59	
Operating profit, non-GAAP	<u>\$ 995</u>	<u>\$ 1,003</u>	<u>(1)%</u>
Operating Profit Margin	2017	2016	Basis Point
Operating profit margin, GAAP	22.3 %	24.6 %	(230)
2012 Restructuring Program	3.7 %	1.5 %	
Operating profit margin, non-GAAP	<u>26.0 %</u>	<u>26.1 %</u>	<u>(10)</u>

Table 8
Continued

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2017 and 2016

(Dollars in Millions Except Per Share Amounts) (Unaudited)

		2017					
		Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate- Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share ⁽³⁾
As Reported GAAP		\$ 829	\$ 269	\$ 560	\$ 524	32.4 %	\$ 0.59
2012 Restructuring Program		142	27	115	115	(1.9)%	0.13
Non-GAAP		\$ 971	\$ 296	\$ 675	\$ 639	30.5 %	\$ 0.72

		2016						
		Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Less: Income Attributable to Noncontrolling Interests	Net Income Attributable To Colgate- Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share ⁽³⁾
As Reported GAAP		\$ 919	\$ 281	\$ 638	\$ 38	\$ 600	30.6 %	\$ 0.67
2012 Restructuring Program		59	14	45	1	44	(0.4)%	0.05
Benefit from a previously disclosed foreign tax matter, net		—	13	(13)	—	(13)	1.3 %	(0.01)
Non-GAAP		\$ 978	\$ 308	\$ 670	\$ 39	\$ 631	31.5 %	\$ 0.70

Notes:

(1) The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

(2) The impact of non-GAAP items on the Company's effective tax rate represents the difference in the effective tax rate calculated with and without the non-GAAP adjustment on Income before income taxes and Provision for income taxes.

(3) The impact of non-GAAP adjustments on Diluted earnings per share may not necessarily equal the difference between GAAP and non-GAAP as a result of rounding.