

Table 1

Colgate-Palmolive Company
Condensed Consolidated Statements of Income
For the Three Months Ended June 30, 2017
(Dollars in Millions Except Per Share Amounts) (Unaudited)

	2017*
Net sales	\$ 3,826
Cost of sales	1,526
Gross profit	2,300
Gross profit margin	60.1%
Selling, general and administrative expenses	1,309
Other (income) expense, net	113
Operating profit	878
Operating profit margin	22.9%
Non-service related postretirement costs	25
Interest (income) expense, net	24
Income before income taxes	829
Provision for income taxes	269
Effective tax rate	32.4%
Net income including noncontrolling interests	560
Less: Net income attributable to noncontrolling interests	36
Net income attributable to Colgate-Palmolive Company	\$ 524
Earnings per common share	
Basic	\$ 0.59
Diluted	\$ 0.59
Average common shares outstanding	
Basic	883.8
Diluted	890.8

*The Company adopted ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," on January 1, 2018. The adoption of this standard resulted in the non-service related postretirement costs being presented separately in the income statement from the service cost component and the non-service related postretirement costs no longer being included in Operating profit. As this standard was applied retrospectively, as required, the Company reclassified certain amounts to a new line below Operating profit called Non-service related postretirement costs. The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earning per common share or Cash flow.

See Table 1A "Supplemental Condensed Consolidated Statements of Income Information", Table 5A "Supplemental Segment Information" and Table 8A "Supplemental Non-GAAP Reconciliations Information" for reconciliations to previously reported amounts for the three months ended June 30, 2017.

Colgate-Palmolive Company

Supplemental Condensed Consolidated Statements of Income Information

Impact of the adoption of ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"

For the Three Months Ended June 30, 2017

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

	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
Selling, general and administrative expenses	\$ 1,333	\$ 1,309	\$ (24)
Other (income) expense, net	114	113	(1)
Operating profit	853	878	25
Operating profit margin	22.3%	22.9%	+60 bps
Non-service related postretirement costs	—	25	25
Net income including noncontrolling interests	560	560	—
Less: Net income attributable to noncontrolling interests	36	36	—
Net income attributable to Colgate-Palmolive Company	\$ 524	\$ 524	\$ —

Note: The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earning per common share or Cash flow.

Colgate-Palmolive Company
Condensed Consolidated Statements of Income
For the Six Months Ended June 30, 2017
(Dollars in Millions Except Per Share Amounts) (Unaudited)

	2017*
Net sales	\$ 7,588
Cost of sales	3,019
Gross profit	4,569
Gross profit margin	60.2%
Selling, general and administrative expenses	2,645
Other (income) expense, net	134
Operating profit	1,790
Operating profit margin	23.6%
Non-service related postretirement costs	52
Interest (income) expense, net	47
Income before income taxes	1,691
Provision for income taxes	520
Effective tax rate	30.8%
Net income including noncontrolling interests	1,171
Less: Net income attributable to noncontrolling interests	77
Net income attributable to Colgate-Palmolive Company	\$ 1,094
Earnings per common share	
Basic	\$ 1.24
Diluted	\$ 1.23
Average common shares outstanding	
Basic	884.2
Diluted	890.9

*The Company adopted ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," on January 1, 2018. The adoption of this standard resulted in the non-service related postretirement costs being presented separately in the income statement from the service cost component and the non-service related postretirement costs no longer being included in Operating profit. As this standard was applied retrospectively, as required, the Company reclassified certain amounts to a new line below Operating profit called Non-service related postretirement costs. The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earning per common share or Cash flow.

See Table 2A "Supplemental Condensed Consolidated Statements of Income Information", Table 5A "Supplemental Segment Information" and Table 9A "Supplemental Non-GAAP Reconciliations Information" for reconciliations to previously reported amounts for the six months ended June 30, 2017.

Colgate-Palmolive Company

Supplemental Condensed Consolidated Statements of Income Information

Impact of the adoption of ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"

For the Six Months Ended June 30, 2017

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

	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
Selling, general and administrative expenses	\$ 2,695	\$ 2,645	\$ (50)
Other (income) expense, net	136	134	(2)
Operating profit	1,738	1,790	52
Operating profit margin	22.9%	23.6%	+70 bps
Non-service related postretirement costs	—	52	52
Net income including noncontrolling interests	1,171	1,171	—
Less: Net income attributable to noncontrolling interests	77	77	—
Net income attributable to Colgate-Palmolive Company	\$ 1,094	\$ 1,094	\$ —

Note: The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earning per common share or Cash flow.

Colgate-Palmolive Company

Segment Information

For the Three and Six Months Ended June 30, 2017

(Dollars in Millions) (Unaudited)

	2017	
	Three Months Ended June 30	Six Months Ended June 30
Net Sales		
Oral, Personal and Home Care		
North America	\$ 764	\$ 1,524
Latin America	1,002	1,926
Europe	584	1,142
Asia Pacific	663	1,383
Africa/Eurasia	241	487
Total Oral, Personal and Home Care	3,254	6,462
Pet Nutrition	572	1,126
Total Net Sales	\$ 3,826	\$ 7,588
	2017*	
	Three Months Ended June 30	Six Months Ended June 30
Operating Profit		
Oral, Personal and Home Care		
North America	\$ 255	\$ 502
Latin America	309	580
Europe	146	288
Asia Pacific	206	425
Africa/Eurasia	45	91
Total Oral, Personal and Home Care	961	1,886
Pet Nutrition	169	332
Corporate ⁽¹⁾	(252)	(428)
Total Operating Profit	\$ 878	\$ 1,790

Corporate Operating profit (loss) for the three months ended June 30, 2017 includes charges of \$141 related to the Global Growth and Efficiency Program. Corporate Operating profit (loss) for the six months ended June 30, 2017 includes charges of \$186 related to the Global Growth and Efficiency Program.

Note:

(1) Corporate operations include costs related to stock options and restricted stock units, 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.

*The Company adopted ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," on January 1, 2018. The adoption of this standard resulted in the non-service related postretirement costs being presented separately in the income statement from the service cost component and the non-service related postretirement costs no longer being included in Operating profit. As this standard was applied retrospectively, as required, the Company reclassified the non-service components from Operating profit to a new line below Operating profit called Non-service related postretirement costs. See Table 5A "Supplemental Segment Information" for reconciliations to previously reported segment information for the three and six months ended June 30, 2017.

Colgate-Palmolive Company

Supplemental Segment Information

Impact of the adoption of ASU No. 2017-07, "Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"

For the Three and Six Months Ended June 30, 2017

(Dollars in Millions) (Unaudited)

	Three Months ended June 30, 2017		
	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
Operating Profit			
Oral, Personal and Home Care			
North America	\$ 241	\$ 255	\$ 14
Latin America	308	309	1
Europe	145	146	1
Asia Pacific	205	206	1
Africa/Eurasia	45	45	—
Total Oral, Personal and Home Care	944	961	17
Pet Nutrition	163	169	6
Corporate	(254)	(252)	2
Total Operating Profit	\$ 853	\$ 878	\$ 25
	Six Months ended June 30, 2017		
	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
Operating Profit			
Oral, Personal and Home Care			
North America	\$ 474	\$ 502	\$ 28
Latin America	577	580	3
Europe	285	288	3
Asia Pacific	424	425	1
Africa/Eurasia	90	91	1
Total Oral, Personal and Home Care	1,850	1,886	36
Pet Nutrition	320	332	12
Corporate	(432)	(428)	4
Total Operating Profit	\$ 1,738	\$ 1,790	\$ 52

Table 8

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2017

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

Gross Profit	2017
Gross profit, GAAP	\$ 2,300
Global Growth and Efficiency Program	21
Gross profit, non-GAAP	<u>\$ 2,321</u>
Gross Profit Margin	2017
Gross profit margin, GAAP	60.1 %
Global Growth and Efficiency Program	0.6 %
Gross profit margin, non-GAAP	<u>60.7 %</u>
Selling, General and Administrative Expenses	2017*
Selling, general and administrative expenses, GAAP	\$ 1,309
Global Growth and Efficiency Program	(17)
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,292</u>
Selling, General and Administrative Expenses as a Percentage of Net Sales	2017*
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.2 %
Global Growth and Efficiency Program	(0.4)%
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>33.8 %</u>
Other (Income) Expense, Net	2017*
Other (income) expense, net, GAAP	\$ 113
Global Growth and Efficiency Program	(103)
Other (income) expense, net, non-GAAP	<u>\$ 10</u>
Operating Profit	2017*
Operating profit, GAAP	\$ 878
Global Growth and Efficiency Program	141
Operating profit, non-GAAP	<u>\$ 1,019</u>
Operating Profit Margin	2017*
Operating profit margin, GAAP	22.9 %
Global Growth and Efficiency Program	3.7 %
Operating profit margin, non-GAAP	<u>26.6 %</u>
Non-Service Related Postretirement Costs	2017*
Non-service related postretirement costs, GAAP	\$ 25
Global Growth and Efficiency Program	(1)
Non-service related postretirement costs, non-GAAP	<u>\$ 24</u>

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2017

(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
As Reported GAAP	\$ 829	\$ 269	\$ 560	\$ 524	32.4 %	\$ 0.59
Global Growth and Efficiency Program	142	27	115	115	(1.9)%	0.13
Non-GAAP	\$ 971	\$ 296	\$ 675	\$ 639	30.5 %	\$ 0.72

The impact of non-GAAP adjustments may not necessarily equal the difference between “GAAP” and “non-GAAP” as a result of rounding.

*The Company adopted ASU No. 2017-07, “Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,” on January 1, 2018. The adoption of this standard resulted in the non-service related postretirement costs being presented separately in the income statement from the service cost component and the non-service related postretirement costs no longer being included in Operating profit. The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earning per common share or Cash flow.

See Table 8A “Supplemental Non-GAAP Reconciliations Information” for reconciliations to previously reported amounts for the three months ended June 30, 2017.

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.

Colgate-Palmolive Company

Supplemental Non-GAAP Reconciliations Information

Impact of the adoption of ASU No. 2017-07, "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"

For the Three Months Ended June 30, 2017

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

	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
Selling, General and Administrative Expenses			
Selling, general and administrative expenses, GAAP	\$ 1,333	\$ 1,309	\$ (24)
Global Growth and Efficiency Program	(17)	(17)	—
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,316</u>	<u>\$ 1,292</u>	<u>\$ (24)</u>
Selling, General and Administrative Expenses as a Percentage of Net Sales			
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.8 %	34.2%	-60 bps
Global Growth and Efficiency Program	(0.4)%	(0.4)%	— bps
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.4 %</u>	<u>33.8%</u>	<u>-60 bps</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 114	\$ 113	\$ (1)
Global Growth and Efficiency Program	(104)	(103)	1
Other (income) expense, net, non-GAAP	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ —</u>
Operating Profit			
Operating profit, GAAP	\$ 853	\$ 878	\$ 25
Global Growth and Efficiency Program	142	141	(1)
Operating profit, non-GAAP	<u>\$ 995</u>	<u>\$ 1,019</u>	<u>\$ 24</u>
Operating Profit Margin			
Operating profit margin, GAAP	22.3 %	22.9%	+60 bps
Global Growth and Efficiency Program	3.7 %	3.7%	— bps
Operating profit margin, non-GAAP	<u>26.0 %</u>	<u>26.6%</u>	<u>+60 bps</u>

Note: The reclassification had no effect on Gross profit, Net income, Earning per common share or Cash flow.

The impact of non-GAAP adjustments may not necessarily equal the difference between "GAAP" and "non-GAAP" as a result of rounding.

Table 9

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Six Months Ended June 30, 2017

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

Gross Profit	2017
Gross profit, GAAP	\$ 4,569
Global Growth and Efficiency Program	35
Gross profit, non-GAAP	<u>\$ 4,604</u>
Gross Profit Margin	2017
Gross profit margin, GAAP	60.2 %
Global Growth and Efficiency Program	0.5 %
Gross profit margin, non-GAAP	<u>60.7 %</u>
Selling, General and Administrative Expenses	2017*
Selling, general and administrative expenses, GAAP	\$ 2,645
Global Growth and Efficiency Program	(38)
Selling, general and administrative expenses, non-GAAP	<u>\$ 2,607</u>
Selling, General and Administrative Expenses as a Percentage of Net Sales	2017*
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.9 %
Global Growth and Efficiency Program	(0.5)%
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.4 %</u>
Other (Income) Expense, Net	2017*
Other (income) expense, net, GAAP	\$ 134
Global Growth and Efficiency Program	(113)
Other (income) expense, net, non-GAAP	<u>\$ 21</u>
Operating Profit	2017*
Operating profit, GAAP	\$ 1,790
Global Growth and Efficiency Program	186
Operating profit, non-GAAP	<u>\$ 1,976</u>
Operating Profit Margin	2017*
Operating profit margin, GAAP	23.6 %
Global Growth and Efficiency Program	2.4 %
Operating profit margin, non-GAAP	<u>26.0 %</u>
Non-Service Related Postretirement Costs	2017*
Non-service related postretirement costs, GAAP	\$ 52
Global Growth and Efficiency Program	(2)
Non-service related postretirement costs, non-GAAP	<u>\$ 50</u>

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Six Months Ended June 30, 2017

(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
As Reported GAAP	\$ 1,691	\$ 520	\$ 1,171	\$ 1,094	30.8 %	\$ 1.23
Global Growth and Efficiency Program	188	42	146	146	(0.9)%	0.16
Non-GAAP	\$ 1,879	\$ 562	\$ 1,317	\$ 1,240	29.9 %	\$ 1.39

The impact of non-GAAP adjustments may not necessarily equal the difference between “GAAP” and “non-GAAP” as a result of rounding.

*The Company adopted ASU No. 2017-07, “Compensation—Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost,” on January 1, 2018. The adoption of this standard resulted in the non-service related postretirement costs being presented separately in the income statement from the service cost component and the non-service related postretirement costs no longer being included in Operating profit. The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earning per common share or Cash flow.

See Table 9A “Supplemental Non-GAAP Reconciliations Information” for reconciliations to previously reported amounts for the six months ended June 30, 2017.

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.

Colgate-Palmolive Company

Supplemental Non-GAAP Reconciliations Information

Impact of the adoption of ASU No. 2017-07, "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost"

For the Six Months Ended June 30, 2017

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

	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
Selling, General and Administrative Expenses			
Selling, general and administrative expenses, GAAP	\$ 2,695	\$ 2,645	\$ (50)
Global Growth and Efficiency Program	(38)	(38)	—
Selling, general and administrative expenses, non-GAAP	<u>\$ 2,657</u>	<u>\$ 2,607</u>	<u>\$ (50)</u>
Selling, General and Administrative Expenses as a Percentage of Net Sales			
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.5 %	34.9%	-60 bps
Global Growth and Efficiency Program	(0.5)%	(0.5)%	— bps
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.0 %</u>	<u>34.4%</u>	<u>-60 bps</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 136	\$ 134	\$ (2)
Global Growth and Efficiency Program	(115)	(113)	2
Other (income) expense, net, non-GAAP	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ —</u>
Operating Profit			
Operating profit, GAAP	\$ 1,738	\$ 1,790	\$ 52
Global Growth and Efficiency Program	188	186	(2)
Operating profit, non-GAAP	<u>\$ 1,926</u>	<u>\$ 1,976</u>	<u>\$ 50</u>
Operating Profit Margin			
Operating profit margin, GAAP	22.9 %	23.6%	+70 bps
Global Growth and Efficiency Program	2.5 %	2.4%	-10 bps
Operating profit margin, non-GAAP	<u>25.4 %</u>	<u>26.0%</u>	<u>+60 bps</u>

Note: The reclassification had no effect on Gross profit, Net income, Earning per common share or Cash flow.

The impact of non-GAAP adjustments may not necessarily equal the difference between "GAAP" and "non-GAAP" as a result of rounding.