

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Six Months Ended June 30, 2017 and 2016

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

Gross Profit	2017	2016	
Gross profit, GAAP	\$ 4,569	\$ 4,552	
2012 Restructuring Program	35	20	
Gross profit, non-GAAP	<u>\$ 4,604</u>	<u>\$ 4,572</u>	
Gross Profit Margin	2017	2016	Basis Point Change
Gross profit margin, GAAP	60.2 %	59.8 %	40
2012 Restructuring Program	0.5 %	0.3 %	
Gross profit margin, non-GAAP	<u>60.7 %</u>	<u>60.1 %</u>	<u>60</u>
Selling, General and Administrative Expenses	2017	2016	
Selling, general and administrative expenses, GAAP	\$ 2,695	\$ 2,674	
2012 Restructuring Program	(38)	(40)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 2,657</u>	<u>\$ 2,634</u>	
Selling, General and Administrative Expenses as a Percentage of Net Sales	2017	2016	Basis Point Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.5 %	35.2 %	30
2012 Restructuring Program	(0.5)%	(0.6)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.0 %</u>	<u>34.6 %</u>	<u>40</u>
Other (Income) Expense, Net	2017	2016	
Other (income) expense, net, GAAP	\$ 136	\$ 67	
2012 Restructuring Program	(115)	(54)	
Other (income) expense, net, non-GAAP	<u>\$ 21</u>	<u>\$ 13</u>	
Operating Profit	2017	2016	% Change
Operating profit, GAAP	\$ 1,738	\$ 1,811	(4)%
2012 Restructuring Program	188	114	
Operating profit, non-GAAP	<u>\$ 1,926</u>	<u>\$ 1,925</u>	<u>— %</u>
Operating Profit Margin	2017	2016	Basis Point Change
Operating profit margin, GAAP	22.9 %	23.8 %	(90)
2012 Restructuring Program	2.5 %	1.5 %	
Operating profit margin, non-GAAP	<u>25.4 %</u>	<u>25.3 %</u>	<u>10</u>

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		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		\$ 1,691	\$ 520	\$ 1,171	\$ 1,094	30.8 %	\$ 1.23
2012 Restructuring Program		188	42	146	146	(0.9)%	0.16
Non-GAAP		\$ 1,879	\$ 562	\$ 1,317	\$ 1,240	29.9 %	\$ 1.39

		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		\$ 1,758	\$ 546	\$ 1,212	\$ 79	\$ 1,133	31.1 %	\$ 1.26
2012 Restructuring Program		114	31	83	1	82	(0.2)%	0.09
Benefit from a previously disclosed foreign tax matter, net		—	13	(13)	—	(13)	0.6 %	(0.01)
Non-GAAP		\$ 1,872	\$ 590	\$ 1,282	\$ 80	\$ 1,202	31.5 %	\$ 1.33

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.