

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Nine Months Ended September 30, 2016 and 2015

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

	2016	2015	
Gross Profit			
Gross profit, GAAP	\$ 6,876	\$ 7,106	
2012 Restructuring Program	31	11	
Gross profit, non-GAAP	<u>\$ 6,907</u>	<u>\$ 7,117</u>	
			Basis Point
Gross Profit Margin	2016	2015	Change
Gross profit margin, GAAP	59.9 %	58.6 %	130
2012 Restructuring Program	0.3 %	— %	
Gross profit margin, non-GAAP	<u>60.2 %</u>	<u>58.6 %</u>	<u>160</u>
Selling, General and Administrative Expenses	2016	2015	
Selling, general and administrative expenses, GAAP	\$ 3,996	\$ 4,178	
2012 Restructuring Program	(49)	(44)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 3,947</u>	<u>\$ 4,134</u>	
			Basis Point
Selling, General and Administrative Expenses as a Percentage of Net Sales	2016	2015	Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.8 %	34.4 %	40
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>34.1 %</u>	<u>30</u>
Other (Income) Expense, Net	2016	2015	
Other (income) expense, net, GAAP	\$ (2)	\$ —	
2012 Restructuring Program	(76)	(143)	
Gain on sale of land in Mexico	97	—	
Charge for a previously disclosed litigation matter	(6)	—	
Venezuela remeasurement charges	—	(34)	
Gain on sale of South Pacific laundry detergent business	—	187	
Other (income) expense, net, non-GAAP	<u>\$ 13</u>	<u>\$ 10</u>	
Operating Profit	2016	2015	% Change
Operating profit, GAAP	\$ 2,882	\$ 2,928	(2)%
2012 Restructuring Program	156	198	
Gain on sale of land in Mexico	(97)	—	
Charge for a previously disclosed litigation matter	6	—	
Venezuela remeasurement charges	—	34	
Gain on sale of South Pacific laundry detergent business	—	(187)	
Operating profit, non-GAAP	<u>\$ 2,947</u>	<u>\$ 2,973</u>	<u>(1)%</u>
Operating Profit Margin	2016	2015	Basis Point Change
Operating profit margin, GAAP	25.1 %	24.1 %	100
2012 Restructuring Program	1.4 %	1.6 %	
Gain on sale of land in Mexico	(0.8)%	— %	
Charge for a previously disclosed litigation matter	— %	— %	
Venezuela remeasurement charges	— %	0.3 %	
Gain on sale of South Pacific laundry detergent business	— %	(1.5)%	
Operating profit margin, non-GAAP	<u>25.7 %</u>	<u>24.5 %</u>	<u>120</u>

Table 9
Continued

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Nine Months Ended September 30, 2016 and 2015

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

	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	Effective Income Tax Rate⁽²⁾	Diluted Earnings Per Share⁽³⁾
As Reported GAAP	\$ 2,804	\$ 846	\$ 1,958	\$ 123	\$ 1,835	30.2 %	\$ 2.04
2012 Restructuring Program	156	41	115	1	114	(0.2)%	0.13
Gain on sale of land in Mexico	(97)	(34)	(63)	—	(63)	(0.2)%	(0.07)
Benefits from previously disclosed tax matters	—	35	(35)	—	(35)	1.2 %	(0.04)
Charge for a previously disclosed litigation matter	6	2	4	—	4	— %	—
Non-GAAP	<u>\$ 2,869</u>	<u>\$ 890</u>	<u>\$ 1,979</u>	<u>\$ 124</u>	<u>\$ 1,855</u>	<u>31.0 %</u>	<u>\$ 2.06</u>

	2015						
	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	Effective Income Tax Rate⁽²⁾	Diluted Earnings Per Share⁽³⁾
As Reported GAAP	\$ 2,909	\$ 940	\$ 1,969	\$ 127	\$ 1,842	32.3 %	\$ 2.02
2012 Restructuring Program	198	54	144	2	142	(0.3)%	0.15
Venezuela remeasurement charges	34	12	22	—	22	—	0.02
Charge for a foreign tax matter	—	(15)	15	—	15	(0.5)%	0.02
Gain on sale of South Pacific laundry detergent business	(187)	(67)	(120)	—	(120)	(0.2)%	(0.13)
Non-GAAP	<u>\$ 2,954</u>	<u>\$ 924</u>	<u>\$ 2,030</u>	<u>\$ 129</u>	<u>\$ 1,901</u>	<u>31.3 %</u>	<u>\$ 2.08</u>

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.