

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended June 30, 2016 and 2015

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

	2016	2015	
Gross Profit			
Gross profit, GAAP	\$ 2,304	\$ 2,367	
2012 Restructuring Program	12	4	
Gross profit, non-GAAP	<u>\$ 2,316</u>	<u>\$ 2,371</u>	
Gross Profit Margin			Basis Point Change
Gross profit margin, GAAP	59.9%	58.2%	170
2012 Restructuring Program	0.3%	0.1%	
Gross profit margin, non-GAAP	<u>60.2%</u>	<u>58.3%</u>	<u>190</u>
Selling, General and Administrative Expenses			
Selling, general and administrative expenses, GAAP	\$ 1,320	\$ 1,381	
2012 Restructuring Program	(14)	(11)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,306</u>	<u>\$ 1,370</u>	
Selling, General and Administrative Expenses as a Percentage of Net Sales			Basis Point Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.3%	34.0%	30
2012 Restructuring Program	(0.3)%	(0.3)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.0%</u>	<u>33.7%</u>	<u>30</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 40	\$ 54	
2012 Restructuring Program	(33)	(37)	
Venezuela remeasurement charge	-	(16)	
Other (income) expense, net, non-GAAP	<u>\$ 7</u>	<u>\$ 1</u>	
Operating Profit			% Change
Operating profit, GAAP	\$ 944	\$ 932	1%
2012 Restructuring Program	59	52	
Venezuela remeasurement charge	-	16	
Operating profit, non-GAAP	<u>\$ 1,003</u>	<u>\$ 1,000</u>	<u>-%</u>
Operating Profit Margin			Basis Point Change
Operating profit margin, GAAP	24.6 %	22.9 %	170
2012 Restructuring Program	1.5 %	1.3 %	
Venezuela remeasurement charge	- %	0.4 %	
Operating profit margin, non-GAAP	<u>26.1 %</u>	<u>24.6 %</u>	<u>150</u>

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 foreign tax matter, net	-	13	(13)	-	(13)	1.3 %	(0.01)
Non-GAAP	<u>\$ 978</u>	<u>\$ 308</u>	<u>\$ 670</u>	<u>\$ 39</u>	<u>\$ 631</u>	<u>31.5 %</u>	<u>\$ 0.70</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 Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share ⁽³⁾
As Reported GAAP	\$ 926	\$ 310	\$ 616	\$ 42	\$ 574	33.5 %	\$ 0.63
2012 Restructuring Program	52	12	40	-	40	(0.6)%	0.04
Venezuela remeasurement charge	16	6	10	-	10	0.1 %	0.01
Charge for a foreign tax matter	-	(15)	15	-	15	(1.5)%	0.02
Non-GAAP	<u>\$ 994</u>	<u>\$ 313</u>	<u>\$ 681</u>	<u>\$ 42</u>	<u>\$ 639</u>	<u>31.5 %</u>	<u>\$ 0.70</u>

Note:

- (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.