

Table 2

Colgate-Palmolive Company

Condensed Consolidated Statements of Income

For the Twelve Months Ended December 31, 2013

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

	<u>2013*</u>
Net sales	\$ 17,420
Cost of sales	7,219
Gross profit	10,201
Gross profit margin	58.6%
Selling, general and administrative expenses	6,006
Other (income) expense, net	400
Operating profit	3,795
Operating profit margin	21.8%
Non-service related postretirement costs	239
Interest (income) expense, net	(9)
Income before income taxes	3,565
Provision for income taxes	1,155
Effective tax rate	32.4%
Net income including noncontrolling interests	2,410
Less: Net income attributable to noncontrolling interests	169
Net income attributable to Colgate-Palmolive Company	\$ 2,241
Earnings per common share	
Basic	\$ 2.41
Diluted	\$ 2.38
Average common shares outstanding	
Basic	930.8
Diluted	939.9

*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, Earnings 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 twelve months ended December 31, 2013.

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 Twelve Months Ended December 31, 2013

(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	\$ 6,223	\$ 6,006	\$ (217)
Other (income) expense, net	422	400	(22)
Operating profit	3,556	3,795	239
Operating profit margin	20.4%	21.8%	+140 bps
Non-service related postretirement costs	—	239	239
Net income including noncontrolling interests	2,410	2,410	—
Less: Net income attributable to noncontrolling interests	169	169	—
Net income attributable to Colgate-Palmolive Company	\$ 2,241	\$ 2,241	\$ —

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 Twelve Months Ended December 31, 2013

(Dollars in Millions) (Unaudited)

	2013
Net Sales	
Oral, Personal and Home Care	
North America	\$ 3,072
Latin America	5,012
Europe	2,813
Asia Pacific	3,055
Africa/Eurasia	1,257
Total Oral, Personal and Home Care	15,209
Pet Nutrition	2,211
Total Net Sales	\$ 17,420
	2013*
Operating Profit (Loss)	
Oral, Personal and Home Care	
North America	\$ 979
Latin America	1,395
Europe	647
Asia Pacific	866
Africa/Eurasia	270
Total Oral, Personal and Home Care	4,157
Pet Nutrition	583
Corporate ⁽¹⁾	(945)
Total Operating Profit (Loss)	\$ 3,795

For the twelve months ended December 31, 2013, Corporate Operating profit (loss) included charges of \$262 related to the Global Growth and Efficiency Program, a charge of \$172 related to the 2013 Venezuela remeasurement, a charge of \$23 for a litigation matter and costs of \$15 related to the sale of land in Mexico.

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 twelve months ended December 31, 2013.

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 Twelve Months Ended December 31, 2013

(Dollars in Millions) (Unaudited)

	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	\$ 927	\$ 979	\$ 52
Latin America	1,385	1,395	10
Europe	637	647	10
Asia Pacific	866	866	—
Africa/Eurasia	268	270	2
Total Oral, Personal and Home Care	4,083	4,157	74
Pet Nutrition	563	583	20
Corporate	(1,090)	(945)	145
Total Operating Profit	\$ 3,556	\$ 3,795	\$ 239

Table 9

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2013

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

Gross Profit	2013
Gross profit, GAAP	\$ 10,201
Global Growth and Efficiency Program	32
Costs related to the sale of land in Mexico	15
Gross profit, non-GAAP	<u>\$ 10,248</u>
Gross Profit Margin	2013
Gross profit margin, GAAP	58.6 %
Global Growth and Efficiency Program	0.2 %
Gross profit margin, non-GAAP	<u>58.8 %</u>
Selling, General and Administrative Expenses	2013*
Selling, general and administrative expenses, GAAP	\$ 6,006
Global Growth and Efficiency Program	(47)
Selling, general and administrative expenses, non-GAAP	<u>\$ 5,959</u>
Selling, General and Administrative Expenses as a Percentage of Net Sales	2013*
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.5%
Global Growth and Efficiency Program	(0.3)%
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.2 %</u>
Other (Income) Expense, Net	2013*
Other (income) expense, net, GAAP	\$ 400
Global Growth and Efficiency Program	(183)
Venezuela remeasurement charges	(172)
Charge for a litigation matter	(23)
Costs related to the sale of land in Mexico	—
Other (income) expense, net, non-GAAP	<u>\$ 22</u>
Operating Profit	2013*
Operating profit, GAAP	\$ 3,795
Global Growth and Efficiency Program	262
Venezuela remeasurement charges	172
Charge for a litigation matter	23
Costs related to the sale of land in Mexico	15
Operating profit, non-GAAP	<u>\$ 4,267</u>
Operating Profit Margin	2013*
Operating profit margin, GAAP	21.8%
Global Growth and Efficiency Program	1.5 %
Venezuela remeasurement charges	1.0 %
Charge for a litigation matter	0.1 %
Costs related to the sale of land in Mexico	0.1 %
Operating profit margin, non-GAAP	<u>24.5 %</u>
Non-Service Related Postretirement Costs	2013*
Non-service related postretirement costs, GAAP	\$ 239
Global Growth and Efficiency Program	(109)
Costs related to the sale of land in Mexico	(3)
Non-service related postretirement costs, non-GAAP	<u>\$ 127</u>

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2013

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

	2013
Net Income Attributable to Colgate-Palmolive Company	
Net income attributable to Colgate-Palmolive Company, GAAP	\$ 2,241
Global Growth and Efficiency Program	278
Venezuela remeasurement charges	111
Charge for a litigation matter	23
Costs related to the sale of land in Mexico	12
Net income attributable to Colgate-Palmolive Company, non-GAAP	<u>\$ 2,665</u>
Diluted Earnings Per Share⁽¹⁾	
Diluted earnings per share, GAAP	\$ 2.38
Global Growth and Efficiency Program	0.30
Venezuela remeasurement charges	0.12
Charge for a litigation matter	0.03
Costs related to the sale of land in Mexico	0.01
Diluted earnings per share, non-GAAP	<u>\$ 2.84</u>

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 twelve months ended December 31, 2013.

Notes:

(1) Basic and diluted earnings per share are computed independently for each quarter and any year-to-date period presented. As a result of changes in shares outstanding during the year and rounding, the sum of the quarters' earnings per share may not necessarily equal the earnings per share for any year-to-date period.

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 Twelve Months Ended December 31, 2013

(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	\$ 6,223	\$ 6,006	\$ (217)
Global Growth and Efficiency Program	(137)	(47)	90
Selling, general and administrative expenses, non-GAAP	<u>\$ 6,086</u>	<u>\$ 5,959</u>	<u>\$ (127)</u>
Selling, General and Administrative Expenses as a Percentage of Net Sales			
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.7 %	34.5%	-120 bps
Global Growth and Efficiency Program	(0.8)%	(0.3)%	+50 bps
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.9 %</u>	<u>34.2 %</u>	<u>-70 bps</u>
Other (Income) Expense, Net			
Other (income) expense, net, GAAP	\$ 422	\$ 400	\$ (22)
Global Growth and Efficiency Program	(202)	(183)	19
Venezuela remeasurement charges	(172)	(172)	—
Charge for a litigation matter	(23)	(23)	—
Costs related to the sale of land in Mexico	(3)	—	3
Other (income) expense, net, non-GAAP	<u>\$ 22</u>	<u>\$ 22</u>	<u>\$ —</u>
Operating Profit			
Operating profit, GAAP	\$ 3,556	\$ 3,795	\$ 239
Global Growth and Efficiency Program	371	262	(109)
Venezuela remeasurement charges	172	172	—
Charge for a litigation matter	23	23	—
Costs related to the sale of land in Mexico	18	15	(3)
Operating profit, non-GAAP	<u>\$ 4,140</u>	<u>\$ 4,267</u>	<u>\$ 127</u>
Operating Profit Margin			
Operating profit margin, GAAP	20.4 %	21.8%	+140 bps
Global Growth and Efficiency Program	2.2 %	1.5%	-70 bps
Venezuela remeasurement charges	1.0 %	1.0 %	— bps
Charge for a litigation matter	0.1 %	0.1 %	— bps
Costs related to the sale of land in Mexico	0.1 %	0.1 %	— bps
Operating profit margin, non-GAAP	<u>23.8 %</u>	<u>24.5 %</u>	<u>+70 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.