

Table 2

## Colgate-Palmolive Company

## Condensed Consolidated Statements of Income

For the Twelve Months Ended December 31, 2014

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

	<u>2014*</u>
Net sales	\$ 17,277
Cost of sales	7,168
Gross profit	10,109
Gross profit margin	58.5%
Selling, general and administrative expenses	\$ 5,881
Other (income) expense, net	572
Operating profit	3,656
Operating profit margin	21.2%
Non-service related postretirement costs	99
Interest (income) expense, net	24
Income before income taxes	3,533
Provision for income taxes	1,194
Effective tax rate	33.8%
Net income including noncontrolling interests	2,339
Less: Net income attributable to noncontrolling interests	159
Net income attributable to Colgate-Palmolive Company	\$ 2,180
Earnings per common share	
Basic	\$ 2.38
Diluted	\$ 2.36
Average common shares outstanding	
Basic	915.1
Diluted	924.3

\*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, 2014.

## 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, 2014

(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	\$ 5,982	\$ 5,881	\$ (101)
Other (income) expense, net	570	572	2
Operating profit	3,557	3,656	99
Operating profit margin	20.6%	21.2%	+60 bps
Non-service related postretirement costs	—	99	99
Net income including noncontrolling interests	2,339	2,339	—
Less: Net income attributable to noncontrolling interests	159	159	—
Net income attributable to Colgate-Palmolive Company	\$ 2,180	\$ 2,180	\$ —

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, 2014

(Dollars in Millions) (Unaudited)

	2014
<b>Net Sales</b>	
Oral, Personal and Home Care	
North America	\$ 3,124
Latin America	4,769
Europe	2,840
Asia Pacific	3,081
Africa/Eurasia	1,208
Total Oral, Personal and Home Care	15,022
Pet Nutrition	2,255
<b>Total Net Sales</b>	<b>\$ 17,277</b>
	2014*
<b>Operating Profit (Loss)</b>	
Oral, Personal and Home Care	
North America	\$ 984
Latin America	1,291
Europe	718
Asia Pacific	902
Africa/Eurasia	239
Total Oral, Personal and Home Care	4,134
Pet Nutrition	616
Corporate <sup>(1)</sup>	(1,094)
<b>Total Operating Profit (Loss)</b>	<b>\$ 3,656</b>

Corporate Operating profit (loss) for the twelve months ended December 31, 2014 includes charges of \$278 related to the Global Growth and Efficiency Program, a charge of \$337 related to the 2014 Venezuela remeasurements, charges of \$41 for litigation matters and costs of \$4 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, 2014.

## 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, 2014

(Dollars in Millions) (Unaudited)

	Pre-Adoption of ASU No. 2017-07	Post-Adoption of ASU No. 2017-07	Impact of Adoption
<b>Operating Profit</b>			
Oral, Personal and Home Care			
North America	\$ 926	\$ 984	\$ 58
Latin America	1,279	1,291	12
Europe	712	718	6
Asia Pacific	901	902	1
Africa/Eurasia	235	239	4
Total Oral, Personal and Home Care	4,053	4,134	81
Pet Nutrition	592	616	24
Corporate	(1,088)	(1,094)	(6)
<b>Total Operating Profit</b>	<b>\$ 3,557</b>	<b>\$ 3,656</b>	<b>\$ 99</b>

Table 9

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2014

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

<b>Gross Profit</b>	<b>2014</b>
Gross profit, GAAP	\$ 10,109
Global Growth and Efficiency Program	29
Costs related to the sale of land in Mexico	4
Gross profit, non-GAAP	<u>\$ 10,142</u>
<b>Gross Profit Margin</b>	<b>2014</b>
Gross profit margin, GAAP	58.5 %
Global Growth and Efficiency Program	0.2 %
Gross profit margin, non-GAAP	<u>58.7 %</u>
<b>Selling, General and Administrative Expenses</b>	<b>2014*</b>
Selling, general and administrative expenses, GAAP	\$ 5,881
Global Growth and Efficiency Program	(62)
Selling, general and administrative expenses, non-GAAP	<u>\$ 5,819</u>
<b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>	<b>2014*</b>
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.0%
Global Growth and Efficiency Program	(0.3)%
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>33.7 %</u>
<b>Other (Income) Expense, Net</b>	<b>2014*</b>
Other (income) expense, net, GAAP	\$ 572
Global Growth and Efficiency Program	(187)
Venezuela remeasurement charges	(337)
Charges for litigation matters	(41)
Other (income) expense, net, non-GAAP	<u>\$ 7</u>
<b>Operating Profit</b>	<b>2014*</b>
Operating profit, GAAP	\$ 3,656
Global Growth and Efficiency Program	278
Venezuela remeasurement charges	337
Charges for litigation matters	41
Costs related to the sale of land in Mexico	4
Operating profit, non-GAAP	<u>\$ 4,316</u>
<b>Operating Profit Margin</b>	<b>2014*</b>
Operating profit margin, GAAP	21.2%
Global Growth and Efficiency Program	1.6%
Venezuela remeasurement charges	2.0 %
Charges for litigation matters	0.2 %
Costs related to the sale of land in Mexico	— %
Operating profit margin, non-GAAP	<u>25.0 %</u>
<b>Non-Service Related Postretirement Costs</b>	<b>2014*</b>
Non-service related postretirement costs, GAAP	\$ 99
Global Growth and Efficiency Program	(8)
Venezuela remeasurement charges	10
Non-service related postretirement costs, non-GAAP	<u>\$ 101</u>

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2014

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

	<u>2014</u>
<b>Net Income Attributable to Colgate-Palmolive Company</b>	
Net income attributable to Colgate-Palmolive Company, GAAP	\$ 2,180
Global Growth and Efficiency Program	208
Venezuela remeasurement charges	214
Charges for litigation matters	41
Costs related to the sale of land in Mexico	3
Charges for a foreign tax matter	66
Net income attributable to Colgate-Palmolive Company, non-GAAP	<u>\$ 2,712</u>
<b>Diluted Earnings Per Share<sup>(1)</sup></b>	<b><u>2014</u></b>
Diluted earnings per share, GAAP	\$ 2.36
Global Growth and Efficiency Program	0.23
Venezuela remeasurement charges	0.23
Charges for litigation matters	0.04
Costs related to the sale of land in Mexico	—
Charges for a foreign tax matter	0.07
Diluted earnings per share, non-GAAP	<u>\$ 2.93</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, 2014.

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, 2014

(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
<b>Selling, General and Administrative Expenses</b>			
Selling, general and administrative expenses, GAAP	\$ 5,982	\$ 5,881	\$ (101)
Global Growth and Efficiency Program	(62)	(62)	—
Selling, general and administrative expenses, non-GAAP	<u>\$ 5,920</u>	<u>\$ 5,819</u>	<u>\$ (101)</u>
<b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>			
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.6 %	34.0%	-60 bps
Global Growth and Efficiency Program	(0.3)%	(0.3)%	— bps
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.3 %</u>	<u>33.7 %</u>	<u>-60 bps</u>
<b>Other (Income) Expense, Net</b>			
Other (income) expense, net, GAAP	\$ 570	\$ 572	\$ 2
Global Growth and Efficiency Program	(195)	(187)	8
Venezuela remeasurement charges	(327)	(337)	(10)
Charges for litigation matters	(41)	(41)	—
Other (income) expense, net, non-GAAP	<u>\$ 7</u>	<u>\$ 7</u>	<u>\$ —</u>
<b>Operating Profit</b>			
Operating profit, GAAP	\$ 3,557	\$ 3,656	\$ 99
Global Growth and Efficiency Program	286	278	(8)
Venezuela remeasurement charges	327	337	10
Charges for litigation matters	41	41	—
Costs related to the sale of land in Mexico	4	4	—
Operating profit, non-GAAP	<u>\$ 4,215</u>	<u>\$ 4,316</u>	<u>\$ 101</u>
<b>Operating Profit Margin</b>			
Operating profit margin, GAAP	20.6 %	21.2%	+60 bps
Global Growth and Efficiency Program	1.7 %	1.6%	-10 bps
Venezuela remeasurement charges	1.9 %	2.0 %	+10 bps
Charges for litigation matters	0.2 %	0.2 %	— bps
Costs related to the sale of land in Mexico	— %	— %	— bps
Operating profit margin, non-GAAP	<u>24.4 %</u>	<u>25.0 %</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.