

Colgate Announces Strong 4th Quarter and Year, Exceeding Expectations - Operating Profit, Net Income and EPS All Up Double-Digit

New York, New York, January 28, 2010... Colgate-Palmolive Company (NYSE:CL) today reported record net income and diluted earnings per share in fourth quarter 2009 of \$631 million and \$1.21, respectively. Fourth quarter 2008 reported net income and diluted earnings per share were \$497 million and \$.94, respectively, which included \$31 million of aftertax charges (\$.06 per diluted share) related to the 2004 Restructuring Program. Excluding restructuring charges (which pertain only to 2008), net income and diluted earnings per share increased 20% and 21%, respectively.

Worldwide sales were \$4,081 million, up 11.5% versus the year ago quarter and unit volume increased 3.0%. Global pricing increased 3.5% while foreign exchange added 5.0%. Organic sales (excluding foreign exchange, acquisitions and divestments) grew 6.5%.

Gross profit margin increased to 59.5% in fourth quarter 2009 from 56.0% in the year ago period. Excluding restructuring charges in 2008, gross profit margin increased 320 basis points to 59.5% in fourth quarter 2009 from 56.3% in fourth quarter 2008, primarily reflecting the benefits of increased pricing and cost-savings programs.

Selling, general and administrative expenses were 34.2% and 33.7% of net sales in fourth quarter 2009 and 2008, respectively. Excluding restructuring charges in 2008, selling, general and administrative expenses increased to 34.2% of net sales in fourth quarter 2009 from 33.0% of net sales in fourth quarter 2008. Worldwide advertising costs increased 50 basis points as a percentage to sales versus the year ago period to 9.7% from 9.2%.

Operating profit was \$991 million in fourth quarter 2009 compared to \$777 million as reported in fourth quarter 2008. Excluding restructuring charges in 2008, operating profit rose 21% to \$991 million in fourth quarter 2009 from \$816 million in fourth quarter 2008, increasing to 24.3% from 22.3% as a percent to sales.

Net cash provided by operations year to date increased by 42% to \$3,277 million. Working capital improved by 290 basis points from 2.5% to sales in 2008 to -0.4% to sales in 2009. These results reflect the strength of the Company's overall balance sheet and key ratios as well as its tight focus on working capital.

Ian Cook, Chairman, President and Chief Executive Officer, commented on the results excluding restructuring charges, "We are delighted to have finished the year so strongly with fourth quarter operating profit, net income and earnings per share all increasing double-digit and organic sales growing a healthy 6.5%, driven by positive volume and higher pricing.

"We are particularly pleased that our renewed focus on unit volume growth is indeed working with global unit volume increasing sequentially in each of the last two quarters.

"The excellent 320 basis point improvement in gross profit margin allowed for higher advertising spending behind Colgate's brands both in absolute dollars and as a percent to sales, which helped to drive global market share gains.

"We are delighted that Colgate's global market shares in toothpaste and manual toothbrushes both finished the year at record highs. Colgate's share of the global toothpaste market strengthened to 45.1% for the year, led by share gains in Mexico, Brazil, China, Hong Kong, India, Russia and Venezuela. Colgate also strengthened its global leadership in manual toothbrushes, with its global market share in that category reaching 31.0% year to date, up 0.6 share points versus year ago."

Mr. Cook continued, "We are excited to be entering 2010 with a full pipeline of new products across categories. We expect the excellent gross profit margin to continue which should allow for higher advertising spending behind new and existing Colgate products.

"Overall, despite difficult economic conditions around the world and the currency devaluation in Venezuela, our strong top and bottom line momentum should continue which bodes well for another year of double-digit earnings per share growth in 2010."

For the full year 2009, worldwide sales as reported were \$15,327 million, even with the year ago period, reflecting 0.5% unit volume growth, 6.0% higher pricing and 6.5% negative foreign exchange. Organic sales grew 6.5%.

Net income and diluted earnings per share for the full year 2009 were \$2,291 million and \$4.37, respectively. Full year 2008

reported net income and diluted earnings per share were \$1,957 million and \$3.66, respectively, which included \$113 million of aftertax charges (\$0.21 per diluted share) related to the 2004 Restructuring Program. Excluding restructuring charges (which pertain only to 2008), net income and diluted earnings per share increased 11% and 13%, respectively.

At 11:00 a.m. ET today, Colgate will host a conference call to elaborate on fourth quarter results. To access this call as a webcast, please go to Colgate's web site at <http://www.colgate.com>.

The following are comments about divisional performance. See attached Geographic Sales Analysis and Segment Information schedules for additional information on divisional sales and operating profit.

North America (18% of Company Sales)

North America sales grew 5.0% in the fourth quarter. Unit volume increased 5.5% with 1.5% lower pricing and 1.0% positive foreign exchange. Organic sales grew 4.0% during the quarter. North America operating profit increased 22% during the quarter as increased advertising was more than offset by higher sales and higher gross profit margins driven by cost-savings programs and lower raw and packaging material costs.

In the U.S., new product launches are contributing to market share gains across categories. Market share gains year to date were seen in manual toothbrushes, powered toothbrushes, body washes, hand dish liquid and liquid cleaners. Colgate's leadership of the U.S. toothpaste market continued with its market share at 36.2% for the year. Colgate Total Enamel Strength, Colgate Sensitive Enamel Protect and Colgate Max White with Mini Bright Strips toothpastes contributed to growth in the quarter. Colgate's share of the manual toothbrush market reached a record 32.2% year to date, up 5.2 share points versus year ago, including new Colgate Wisp mini-brush whose market share reached 5.0% year to date and 6.3% for the fourth quarter. Colgate 360° ActiFlex, Colgate Max Fresh and Colgate Max White manual toothbrushes also contributed to the share gains.

Successful new products contributing to growth in the U.S. in other categories include Softsoap Nutri Serums, Softsoap Body Butter Coconut Scrub, Irish Spring Hair and Body and Cool Relief body washes, and Palmolive Pure + Caring and Ajax Lime with Bleach Alternative dish liquids.

Looking ahead, the innovation pipeline in the U.S. is robust with an array of exciting introductions across categories planned for launch in early 2010 including Wisp Plus Whitening mini-brush and Speed Stick and Lady Speed Stick Stainguard deodorants.

Latin America (30% of Company Sales)

Latin American sales grew 22.5% and unit volume increased 5.0%. Volume gains were achieved in most countries, led by significant increases in Brazil and Colombia. Higher pricing added 12.0% and foreign exchange was positive 5.5%. Organic sales for Latin America grew 17.0% during the quarter. Latin America operating profit increased 27% during the quarter as higher pricing and cost-saving initiatives more than offset increased advertising costs.

Colgate continues to build its strong leadership in oral care throughout Latin America with its regional toothpaste market share at a record high of 78.7% year to date, driven by market share gains in nearly every country. In Brazil, for example, Colgate's toothpaste market share reached 70.0% year to date, up 90 basis points versus year ago. Strong sales of Colgate Total Professional Sensitive, Colgate Total Professional Whitening and Colgate Triple Action toothpastes drove share gains throughout the region. Colgate's leading share of the manual toothbrush market for the region is 39.9% year to date, up 10 basis points versus year ago. Strong sales of Colgate 360° ActiFlex, Colgate 360° Deep Clean and Colgate Max White manual toothbrushes throughout the region contributed to this success.

In other product categories, Colgate Plax Complete Care and Colgate Plax Sensitive mouthwashes, Protex Aloe bar soap, Axion Professional dish liquid, Lady Speed Stick Depil Control and Speed Stick Waterproof deodorants, and Suavitel GoodBye Ironing and Suavitel Magic Moments fabric conditioners contributed to market share gains in the region.

Europe/South Pacific (21% of Company Sales)

Europe/South Pacific sales increased 12.5% and unit volume increased 2.5% led by France, Italy, the United Kingdom and the GABA business. Pricing decreased 0.5% while foreign exchange was positive 10.5%. Organic sales for Europe/South Pacific grew 2.0%. Operating profit for the region increased 43% during the quarter as increased advertising was more than offset by higher sales, cost-savings programs and lower raw and packaging material costs.

Colgate maintained its oral care leadership in the Europe/South Pacific region with toothpaste share gains in Greece, Austria, Czech Republic, Norway, Slovakia and Bulgaria. Successful premium products driving share gains include Colgate Sensitive Pro-Relief, Colgate Total Advanced Clean and Colgate Max Fresh with Mouthwash Beads toothpastes. In the manual toothbrush category, Colgate 360° ActiFlex and Colgate Max White toothbrushes contributed to share gains in key countries throughout the region.

Recent premium innovations contributing to growth in other product categories include Colgate Plax Alcohol Free and Colgate

Plax Ice mouth rinses, Palmolive Aromatherapy Morning Tonic shower gel, Ajax Professional bucket dilutable and Ajax Professional glass cleaners, Lady Speed Stick Clinical Protection and Lady Speed Stick Depil Protect deodorants and Soupline Magic Moments and Soupline Aroma Tranquility fabric conditioners.

Greater Asia/Africa (17% of Company Sales)

Greater Asia/Africa sales and unit volume increased 10.5% and 8.0%, respectively. Volume gains were led by India, the Greater China region and Thailand. Pricing increased 0.5% and foreign exchange was positive 2.0%. Organic sales for Greater Asia/Africa increased 8.5%. Operating profit for the region increased 29% during the quarter due to higher pricing, lower raw and packaging material costs and cost-savings programs.

Colgate maintained its toothpaste leadership in Greater Asia with market share gains in key countries throughout the region including India, China, Russia, Turkey, Hong Kong, Philippines and Malaysia. In India, for example, Colgate's toothpaste market share reached 50.1% year to date, up 200 basis points versus year ago. Successful new products driving the share gains throughout the region include Colgate Sensitive Pro-Relief, Colgate Total Professional Clean and Colgate 360° Whole Mouth Clean toothpastes.

New products contributing to growth in other categories in the region include Colgate 360° ActiFlex and Colgate Max White manual toothbrushes, Colgate Plax Ice and Colgate Plax Complete Care mouthwashes, Palmolive Spa Banyan shower liquid and bar soap and Lady Speed Stick Depil Control deodorant.

Hill's (14% of Company Sales)

Hill's sales declined 1.5% during the quarter as unit volume decreased 8.5%. Volume declined in the U.S., Japan and Russia, while volume gains were achieved in Germany, Australia and Mexico. Pricing increased 3.0% and foreign exchange was positive 4.0%. Hill's organic sales declined 5.5% during the quarter. Operating profit decreased 2% during the quarter due to lower sales and increased selling, general and administrative expenses partially offset by higher pricing, lower raw and packaging material costs and cost-savings programs.

Recent new products succeeding in the U.S. specialty channel include a significantly expanded line of Science Diet Simple Essentials Treats Canine. Available in seven varieties, the treats are formulated for a wide range of special needs including oral care, mobility, immunity support and healthy skin and coat.

New pet food products contributing to international sales include Science Plan Snacks Canine and Science Plan Healthy Mobility Canine, a wellness food that promotes active mobility, supports joint flexibility and enhances ease of movement.

Innovative new product launches planned for early 2010 in the U.S. include Science Diet Small and Toy Breed Canine and Prescription Diet j/d Feline, the first therapeutic food clinically proven to improve mobility in cats with arthritis, a condition that affects over 90% of cats over the age of 12.

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About Colgate-Palmolive: Colgate-Palmolive is a leading global consumer products company, tightly focused on Oral Care, Personal Care, Home Care and Pet Nutrition. Colgate sells its products in over 200 countries and territories around the world under such internationally recognized brand names as Colgate, Palmolive, Mennen, Softsoap, Irish Spring, Protex, Sorriso, Kolynos, Elmex, Tom's of Maine, Ajax, Axion, Fabuloso, Soupline and Suavitel, as well as Hill's Science Diet and Hill's Prescription Diet. For more information about Colgate's global business, visit the Company's web site at <http://www.colgate.com>.

The Company's annual meeting of shareholders is currently scheduled for Friday, May 7, 2010.

Unless otherwise indicated, all market share data included in this press release is as measured by ACNielsen.

Cautionary Statement on Forward-Looking Statements

This press release and the related webcast (other than historical information) may contain forward-looking statements. Such statements may relate, for example, to sales or volume growth, organic sales growth, profit and profit margin growth, earnings growth, financial goals, cost-reduction plans, tax rates and new product introductions. These statements are made on the basis of our views and assumptions as of this time and we undertake no obligation to update these statements. We caution investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. Investors should consult the Company's filings with the Securities and Exchange Commission (including the information set forth under the captions "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2008) for information about certain factors that could cause such differences. Copies of these filings may be obtained upon request from the Company's Investor Relations Department or the Company's web site at <http://www.colgate.com>.

As required, the Company adopted the Consolidation Topic of the FASB Codification on January 1, 2009 and as a result of the adoption, certain prior period amounts attributable to noncontrolling interests in less-than-wholly-owned subsidiaries were reclassified within the Condensed Consolidated Statements of Income, Balance Sheets and Cash Flows. While the reclassification had no impact on Net income or earnings per common share, it did impact the previously reported Operating profit and effective tax rate. A complete reconciliation to previously reported 2008 amounts is available on Colgate's web site.

Non-GAAP Financial Measures

The following provides information regarding the non-GAAP measures used in this earnings release:

To supplement Colgate's condensed consolidated income statements presented in accordance with accounting principles generally accepted in the United States of America (GAAP), the Company has disclosed non-GAAP measures of operating results that exclude certain items. Gross profit margin, selling, general and administrative expenses, operating profit, operating profit margin, net income and earnings per share are discussed in this release both as reported (on a GAAP basis) and excluding the impact of restructuring charges related to the restructuring program that began in the fourth quarter of 2004 and was completed as of the end of 2008 (the "2004 Restructuring Program"). These restructuring charges include separation-related costs, incremental depreciation and asset write-downs, and other costs related to the implementation of the 2004 Restructuring Program. In light of their nature and magnitude, the Company believes these items should be presented separately to enhance an investor's overall understanding of its ongoing operations.

Management believes these non-GAAP financial measures provide useful supplemental information to investors regarding the underlying business trends and performance of the Company's ongoing operations and are useful for period-over-period comparisons of such operations. See "Consolidated Income Statement and Supplemental Information - Reconciliation Excluding the 2004 Restructuring Program" for the three and twelve months ended December 31, 2009 and 2008 included with this release for a reconciliation of these financial measures to the related GAAP measures.

This release discusses organic sales growth (excludes the impact of foreign exchange, acquisitions and divestments). Management believes this measure provides investors with useful supplemental information regarding the Company's underlying sales trends by presenting sales growth excluding the external factor of foreign exchange as well as the impact from acquisitions and divestments. See "Geographic Sales Analysis, Percentage Changes - Fourth Quarter 2009 vs. 2008" for a comparison of organic sales growth to sales growth in accordance with GAAP.

The Company uses these financial measures internally in its budgeting process and as factors in determining compensation. While the Company believes that these financial measures are useful in evaluating the Company's business, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similar measures presented by other companies.

The Company defines free cash flow before dividends as net cash provided by operations less capital expenditures. As management uses this measure to evaluate the Company's ability to satisfy current and future obligations, repurchase stock, pay dividends and fund future business opportunities, the Company believes that it provides useful information to investors. Free cash flow before dividends is not a measure of cash available for discretionary expenditures since the Company has certain non-discretionary obligations such as debt service that are not deducted from the measure. Free cash flow before dividends is not a GAAP measurement and may not be comparable to similarly titled measures reported by other companies. See "Condensed Consolidated Statements of Cash Flows For the Twelve Months Ended December 31, 2009 and 2008" for a comparison of free cash flow before dividends to net cash provided by operations as reported in accordance with GAAP.

[\(See attached tables for fourth quarter results.\)](#)

Consolidated Income Statement and Supplemental Information
Reconciliation Excluding the 2004 Restructuring Program
For the Three Months Ended December 31, 2009 and 2008

Consolidated Income Statement and Supplemental Information
Reconciliation Excluding the 2004 Restructuring Program
For the Twelve Months Ended December 31, 2009 and 2008

Condensed Consolidated Balance Sheets
As of December 31, 2009 and 2008

Condensed Consolidated Statements of Cash Flows
For the year ended December 31, 2009 and 2008

Segment Information

For the Three and Twelve Months Ended December 31, 2009 and 2008