

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Three Months Ended December 31, 2016 and 2015

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

	2016	2015	
Gross Profit			
Gross profit, GAAP	\$ 2,247	\$ 2,293	
2012 Restructuring Program	15	9	
Gross profit, non-GAAP	<u>\$ 2,262</u>	<u>\$ 2,302</u>	
			Basis Point
Gross Profit Margin	2016	2015	Change
Gross profit margin, GAAP	60.4 %	58.8 %	160
2012 Restructuring Program	0.4 %	0.2 %	
Gross profit margin, non-GAAP	<u>60.8 %</u>	<u>59.0 %</u>	<u>180</u>
Selling, General and Administrative Expenses	2016	2015	
Selling, general and administrative expenses, GAAP	\$ 1,253	\$ 1,286	
2012 Restructuring Program	(28)	(20)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 1,225</u>	<u>\$ 1,266</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	33.7 %	33.0 %	70
2012 Restructuring Program	(0.8)%	(0.5)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>32.9 %</u>	<u>32.5 %</u>	<u>40</u>
Other (Income) Expense, Net	2016	2015	
Other (income) expense, net, GAAP	\$ 39	\$ 62	
2012 Restructuring Program	(29)	(27)	
Charges for previously disclosed litigation matters	(11)	(14)	
Other (income) expense, net, non-GAAP	<u>\$ (1)</u>	<u>\$ 21</u>	
Operating Profit (Loss)	2016	2015	% Change
Operating profit (loss), GAAP	\$ 955	\$ (139)	787%
2012 Restructuring Program	72	56	
Charges for previously disclosed litigation matters	11	14	
Venezuela deconsolidation	—	1,084	
Operating profit, non-GAAP	<u>\$ 1,038</u>	<u>\$ 1,015</u>	<u>2%</u>
Operating Profit Margin	2016	2015	Basis Point
Operating profit margin, GAAP	25.7 %	(3.6)%	2930
2012 Restructuring Program	1.9 %	1.4 %	
Charges for previously disclosed litigation matters	0.3 %	0.4 %	
Venezuela deconsolidation	— %	27.8 %	
Operating profit margin, non-GAAP	<u>27.9 %</u>	<u>26.0 %</u>	<u>190</u>

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

	2016					
	Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate- Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings Per Share ⁽³⁾
As Reported GAAP	\$ 934	\$ 306	\$ 628	\$ 606	32.8 %	\$ 0.68
2012 Restructuring Program	72	18	54	54	(0.5)%	0.06
Charge for a previously disclosed litigation matter	11	4	7	7	— %	0.01
Non-GAAP	<u>\$ 1,017</u>	<u>\$ 328</u>	<u>\$ 689</u>	<u>\$ 667</u>	<u>32.3 %</u>	<u>\$ 0.75</u>

	2015					
	Income (Loss) Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income (Loss) Including Noncontrolling Interests	Net Income (Loss) Attributable To Colgate- Palmolive Company	Effective Income Tax Rate ⁽²⁾	Diluted Earnings (Loss) Per Share ⁽³⁾⁽⁴⁾
As Reported GAAP	\$ (146)	\$ 275	\$ (421)	\$ (458)	(188.4)%	\$ (0.51)
Venezuela deconsolidation	1,084	26	1,058	1,058	220.4 %	1.18
2012 Restructuring Program	56	15	41	41	(0.3)%	0.04
Charge for a previously disclosed litigation matter	14	—	14	14	(0.4)%	0.02
Non-GAAP	<u>\$ 1,008</u>	<u>\$ 316</u>	<u>\$ 692</u>	<u>\$ 655</u>	<u>31.3 %</u>	<u>\$ 0.73</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.

(4) The computation for Diluted (loss) per common share, GAAP for the three months ended December 31, 2015 excludes 6.6 million of incremental common shares outstanding during the period as they are anti-dilutive. These incremental common shares are included in the computation for Diluted earnings per common share, non-GAAP.