Consolidated Income Statements

For the Three Months Ended September 30, 2010 and 2009

(in Millions Except Per Share Amounts) (Unaudited)

		2010		2009
Net sales	\$	3,943	\$	3,998
Cost of sales		1,599		1,631
Gross profit		2,344		2,367
Gross profit margin		59.4%		59.2%
Selling, general and administrative expenses		1,391		1,403
Other (income) expense, net		(5)		38
Operating profit		958		926
Operating profit margin		24.3%		23.2%
Interest expense, net		13		17
Income before income taxes		945		909
Provision for income taxes		300		292
Effective tax rate		31.7%		32.1%
Net income including noncontrolling interests		645		617
Less: Net income attributable to noncontrolling interests		26		27
Net income attributable to Colgate-Palmolive Company	\$	619	\$	590
Earnings per common share Basic Diluted	\$ \$	1.26 1.21	\$ \$	1.17 1.12
Average common shares outstanding Basic Diluted		486.0 509.5		499.1 524.6

Table 2

Colgate-Palmolive Company

Consolidated Income Statements

For the Nine Months Ended September 30, 2010 and 2009

(in Millions Except Per Share Amounts) (Unaudited)

		2010		2009
Net sales	\$	11,586	\$	11,246
Cost of sales		4,732		4,665
Gross profit		6,854		6,581
Gross profit margin		59.2%		58.5%
Selling, general and administrative expenses		4,038		3,885
Other (income) expense, net		232		72
Operating profit		2,584		2,624
Operating profit margin		22.3%		23.3%
Interest expense, net		43		59
Income before income taxes		2,541		2,565
Provision for income taxes		879		824
Effective tax rate		34.6%		32.1%
Net income including noncontrolling interests		1,662		1,741
Less: Net income attributable to noncontrolling interests		83		81
Net income attributable to Colgate-Palmolive Company	\$	1,579	\$	1,660
Earnings per common share Basic Diluted	\$ \$	3.17 3.07	\$ \$	3.27 3.16
Average common shares outstanding Basic Diluted		489.9 514.7		500.2 525.0

Non-GAAP Reconciliation

For the Nine Months Ended September 30, 2010 and 2009

(in Millions Except Per Share Amounts) (Unaudited)

	As R	eported ¹	2010VenezuelaAs AdjustedHyperinflationary2Non-GAAP1				2009 As Reported		
		- <u>F</u>	F	j					
Other (income) expense, net	\$	232	\$	271	\$	(39)	\$	72	
Operating profit		2,584		(271)		2,855		2,624	
Operating profit margin		22.3%				24.6%		23.3%	
Income before income taxes		2,541		(271)		2,812		2,565	
Effective tax rate		34.6%				31.3%		32.1%	
Net income including noncontrolling interests		1,662		(271)		1,933		1,741	
Net income attributable to Colgate-Palmolive Company	\$	1,579	\$	(271)	\$	1,850	\$	1,660	
Earnings per common share ³									
Basic	\$	3.17	\$	(0.55)	\$	3.72	\$	3.27	
Diluted	\$	3.07	\$	(0.52)	\$	3.59	\$	3.16	

¹ Includes a \$46 pre-tax (\$59 after-tax, \$0.11 diluted earnings per share) gain related to the remeasurement of the Venezuelan balance sheet and lower taxes on accrued but unpaid remittances as a result of the currency devaluation on January 8, 2010.

² Represents the one-time charge related to the transition to hyperinflationary accounting in Venezuela as of January 1, 2010. This amount primarily represents the premium paid to acquire U.S. dollar-denominated cash and bonds. Prior to January 1, 2010, these assets had been remeasured at the parallel market rate and then translated for financial reporting purposes at the official rate of 2.15.

³ The impact of Non-GAAP adjustments on the basic and diluted earnings per share may not necessarily equal the earnings per share if calculated independently as a result of rounding.

Condensed Consolidated Balance Sheets

As of September 30, 2010, December 31, 2009 and September 30, 2009

(Dollars in Millions) (Unaudited)

	Sept	tember 30, 2010	ember 31, 2009	September 30 2009	
Cash and cash equivalents	\$	654	\$ 600	\$	847
Receivables, net		1,690	1,626		1,780
Inventories		1,278	1,209		1,241
Other current assets		469	375		336
Property, plant and equipment, net		3,572	3,516		3,351
Other assets, including goodwill and intangibles		3,727	3,808		3,512
Total assets	\$	11,390	\$ 11,134	\$	11,067
Total debt		3,388	3,182		3,263
Other current liabilities		3,117	3,238		3,211
Other non-current liabilities		2,039	1,457		1,482
Total liabilities		8,544	 7,877		7,956
Total Colgate-Palmolive Company shareholders' equity		2,672	3,116		2,952
Noncontrolling interests		174	141		159
Total liabilities and shareholders' equity	\$	11,390	\$ 11,134	\$	11,067
Supplemental Balance Sheet Information					
Debt less cash, cash equivalents and marketable securities*	\$	2,679	\$ 2,541	\$	2,378
Working capital % of sales		1.7%	(0.4%)		0.7%

* Marketable securities of \$55, \$41 and \$38 as of September 30, 2010, December 31, 2009 and September 30, 2009, respectively, are included in Other current assets.

Table 5

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2010 and 2009

(Dollars in Millions) (Unaudited)

	2010	2009
Operating Activities		
Net income including noncontrolling interests	\$ 1,662	\$ 1,741
Adjustments to reconcile net income including noncontrolling interests to net	, ,	1 7 -
cash provided by operations:		
Venezuela hyperinflationary transition charge	271	-
Restructuring, net of cash	-	(14)
Depreciation and amortization	278	262
Stock-based compensation expense	101	97
Deferred income taxes	91	16
Cash effects of changes in:		
Receivables	(56)	(104)
Inventories	(63)	10
Accounts payable and other accruals	(95)	355
Other non-current assets and liabilities	54	12
Net cash provided by operations	2,243	2,375
Investing Activities		
Capital expenditures	(318)	(347)
Purchases of marketable securities and investments	(211)	(147)
Proceeds from sales of marketable securities and investments	94	-
Other	(3)	10
Net cash used in investing activities	(438)	(484)
Financing Activities		
Principal payments on debt	(3,469)	(3,011)
Proceeds from issuance of debt	3,709	2,561
Dividends paid	(804)	(702)
Purchases of treasury shares	(1,385)	(664)
Proceeds from exercise of stock options and excess tax benefits	204	196
Net cash used in financing activities	(1,745)	(1,620)
Effect of exchange rate changes on Cash and cash equivalents	(6)	21
Net increase (decrease) in Cash and cash equivalents	54	292
Cash and cash equivalents at beginning of period	600	555
Cash and cash equivalents at end of period	\$ 654	\$ 847
Supplemental Cash Flow Information Free cash flow before dividends (Net cash provided by operations less capital expendi	tures)	
Net cash provided by operations	\$ 2,243	\$ 2,375
Less: Capital expenditures	(318)	(347)
Free cash flow before dividends	\$ 1,925	\$ 2,028
Income taxes paid	\$ 854	\$ 853

Segment Information

For the Three and Nine Months Ended September 30, 2010 and 2009

(Dollars in Millions) (Unaudited)

	Three Months Ended September 30,					Nine Months Ended September 30,				
		2010		2009		2010		2009		
Net sales										
Oral, Personal and Home Care										
North America	\$	753	\$	740	\$	2,274	\$	2,204		
Latin America		1,069		1,136		3,130		3,097		
Europe/South Pacific		821		896		2,415		2,406		
Greater Asia/Africa		779		695		2,239		1,972		
Total Oral, Personal and Home Care		3,422		3,467		10,058		9,679		
Pet Nutrition		521		531		1,528		1,567		
Total Net sales	\$	3,943	\$	3,998	\$	11,586	\$	11,246		

	Three Months Ended September 30,					Nine Months Ended September 30,				
	2	010	2009		2010		,	2009		
Operating profit										
Oral, Personal and Home Care										
North America	\$	224	\$	217	\$	668	\$	608		
Latin America ²		332		346		975		987		
Europe/South Pacific		197		219		572		539		
Greater Asia/Africa		195		161		573		457		
Total Oral, Personal and Home Care		948		943		2,788		2,591		
Pet Nutrition		138		136		413		407		
Corporate ¹		(128)		(153)		(617)		(374)		
Total Operating Profit	\$	958	\$	926	\$	2,584	\$	2,624		

Note: The Company evaluates segment performance based on several factors, including Operating profit. The Company uses Operating profit as a measure of the operating segment performance because it excludes the impact of corporate-driven decisions related to interest expense and income taxes.

¹ Corporate operations include stock-based compensation related to stock options and restricted stock awards, 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. Corporate Operating profit for the nine months ended September 30, 2010 also includes a one-time \$271 charge related to the transition to hyperinflationary accounting in Venezuela as of January 1, 2010.

² Latin America Operating profit for the nine months ended September 30, 2010 includes a \$46 pre-tax gain related to the remeasurement of the Venezuelan balance sheet as a result of the currency devaluation on January 8, 2010. This gain was substantially offset by the impact of translating our Venezuelan financial statements at a lower exchange rate as a result of the devaluation.

Table 6

Geographic Sales Analysis

Percentage Changes - Third Quarter 2010 vs 2009

September 30, 2010

(Unaudited)

			COMPONENTS OF SALES CHANGE THIRD QUARTER				COMPONENTS OF SALES CHANGE NINE MONTHS				
<u>Region</u>	3rd Qtr Sales Change <u>As Reported</u>	3rd Qtr Organic <u>Sales Change</u>	<u>Volume</u>	Pricing Coupons Consumer & Trade <u>Incentives</u>	<u>Exchange</u>	9 Months Sales Change <u>As Reported</u>	9 Months Organic <u>Sales Change</u>	<u>Volume</u>	Pricing Coupons Consumer & Trade <u>Incentives</u>	<u>Exchange</u>	
Total Company	(1.5%)	3.0%	3.0%	0.0%	(4.5%)	3.0%	4.0%	4.0%	0.0%	(1.0%)	
Europe/South Pacific	(8.5%)	(3.0%)	0.5%	(3.5%)	(5.5%)	0.5%	0.0%	3.0%	(3.0%)	0.5%	
Latin America	(6.0%)	6.0%	1.0%	5.0%	(12.0%)	1.0%	9.0%	3.0%	6.0%	(8.0%)	
Greater Asia/Africa	12.0%	10.0%	12.0%	(2.0%)	2.0%	13.5%	9.5%	11.0%	(1.5%)	4.0%	
Total International	(2.0%)	4.0%	3.5%	0.5%	(6.0%)	4.0%	6.0%	5.0%	1.0%	(2.0%)	
North America	2.0%	1.5%	3.0%	(1.5%)	0.5%	3.0%	2.0%	4.5%	(2.5%)	1.0%	
Total CP Products	(1.5%)	3.5%	3.5%	0.0%	(5.0%)	4.0%	5.5%	5.0%	0.5%	(1.5%)	
Hill's	(2.0%)	(1.5%)	(0.5%)	(1.0%)	(0.5%)	(2.5%)	(4.0%)	(2.0%)	(2.0%)	1.5%	