

## Colgate-Palmolive Company

## Non-GAAP Reconciliations

For the Nine Months Ended September 30, 2017 and 2016

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

	2017	2016	
<b>Gross Profit</b>			
Gross profit, GAAP	\$ 6,952	\$ 6,876	
Global Growth and Efficiency Program	51	31	
Gross profit, non-GAAP	<u>\$ 7,003</u>	<u>\$ 6,907</u>	
			<b>Basis Point</b>
<b>Gross Profit Margin</b>	2017	2016	Change
Gross profit margin, GAAP	60.1 %	59.9 %	20
Global Growth and Efficiency Program	0.5 %	0.3 %	
Gross profit margin, non-GAAP	<u>60.6 %</u>	<u>60.2 %</u>	<u>40</u>
<b>Selling, General and Administrative Expenses</b>	2017	2016	
Selling, general and administrative expenses, GAAP	\$ 4,124	\$ 3,996	
Global Growth and Efficiency Program	(60)	(49)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 4,064</u>	<u>\$ 3,947</u>	
			<b>Basis Point</b>
<b>Selling, General and Administrative Expenses as a Percentage of Net Sales</b>	2017	2016	Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.7 %	34.8 %	90
Global Growth and Efficiency Program	(0.6)%	(0.4)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>35.1 %</u>	<u>34.4 %</u>	<u>70</u>
<b>Other (Income) Expense, Net</b>	2017	2016	
Other (income) expense, net, GAAP	\$ 163	\$ (2)	
Global Growth and Efficiency Program	(135)	(76)	
Gain on sale of land in Mexico	—	97	
Charge for a previously disclosed litigation matter	—	(6)	
Other (income) expense, net, non-GAAP	<u>\$ 28</u>	<u>\$ 13</u>	
<b>Operating Profit</b>	2017	2016	% Change
Operating profit, GAAP	\$ 2,665	\$ 2,882	(8)%
Global Growth and Efficiency Program	246	156	
Gain on sale of land in Mexico	—	(97)	
Charge for a previously disclosed litigation matter	—	6	
Operating profit, non-GAAP	<u>\$ 2,911</u>	<u>\$ 2,947</u>	<u>(1)%</u>
<b>Operating Profit Margin</b>	2017	2016	Basis Point
Operating profit margin, GAAP	23.0 %	25.1 %	Change
Global Growth and Efficiency Program	2.2 %	1.4 %	(210)
Gain on sale of land in Mexico	— %	(0.8)%	
Charge for a previously disclosed litigation matter	— %	— %	
Operating profit margin, non-GAAP	<u>25.2 %</u>	<u>25.7 %</u>	<u>(50)</u>

**Table 9**  
**Continued**

**Colgate-Palmolive Company**

**Non-GAAP Reconciliations**

**For the Nine Months Ended September 30, 2017 and 2016**

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

	<b>2017</b>						
	<b>Income Before Income Taxes</b>	<b>Provision For Income Taxes<sup>(1)</sup></b>	<b>Net Income Including Noncontrolling Interests</b>	<b>Net Income Attributable To Colgate- Palmolive Company</b>	<b>Effective Income Tax Rate<sup>(2)</sup></b>	<b>Diluted Earnings Per Share<sup>(3)</sup></b>	
As Reported GAAP	\$ 2,591	\$ 770	\$ 1,821	\$ 1,701	29.7 %	\$ 1.91	
Global Growth and Efficiency Program	246	61	185	185	(0.4)%	0.21	
Non-GAAP	<u>\$ 2,837</u>	<u>\$ 831</u>	<u>\$ 2,006</u>	<u>\$ 1,886</u>	<u>29.3 %</u>	<u>\$ 2.12</u>	

  

	<b>2016</b>						
	<b>Income Before Income Taxes</b>	<b>Provision For Income Taxes<sup>(1)</sup></b>	<b>Net Income Including Noncontrolling Interests</b>	<b>Less: Income Attributable To Noncontrolling Interests</b>	<b>Net Income Attributable To Colgate- Palmolive Company</b>	<b>Effective Income Tax Rate<sup>(2)</sup></b>	<b>Diluted Earnings Per Share<sup>(3)</sup></b>
As Reported GAAP	\$ 2,804	\$ 846	\$ 1,958	\$ 123	\$ 1,835	30.2 %	\$ 2.04
Global Growth and Efficiency Program	156	41	115	1	114	(0.2)%	0.13
Gain on sale of land in Mexico	(97)	(34)	(63)	—	(63)	(0.2)%	(0.07)
Benefits from previously disclosed tax matters	—	35	(35)	—	(35)	1.2 %	(0.04)
Charge for a previously disclosed litigation matter	6	2	4	—	4	— %	—
Non-GAAP	<u>\$ 2,869</u>	<u>\$ 890</u>	<u>\$ 1,979</u>	<u>\$ 124</u>	<u>\$ 1,855</u>	<u>31.0 %</u>	<u>\$ 2.06</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.