

Table 9

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2016 and 2015

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

	2016	2015	
Gross Profit			
Gross profit, GAAP	\$ 9,123	\$ 9,399	
2012 Restructuring Program	46	20	
Gross profit, non-GAAP	<u>\$ 9,169</u>	<u>\$ 9,419</u>	
			Basis Point
Gross Profit Margin	2016	2015	Change
Gross profit margin, GAAP	60.0 %	58.6 %	140
2012 Restructuring Program	0.3 %	0.1 %	
Gross profit margin, non-GAAP	<u>60.3 %</u>	<u>58.7 %</u>	<u>160</u>
Selling, General and Administrative Expenses	2016	2015	
Selling, general and administrative expenses, GAAP	\$ 5,249	\$ 5,464	
2012 Restructuring Program	(77)	(64)	
Selling, general and administrative expenses, non-GAAP	<u>\$ 5,172</u>	<u>\$ 5,400</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	34.5 %	34.1 %	40
2012 Restructuring Program	(0.5)%	(0.4)%	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	<u>34.0 %</u>	<u>33.7 %</u>	<u>30</u>
Other (Income) Expense, Net	2016	2015	
Other (income) expense, net, GAAP	\$ 37	\$ 62	
2012 Restructuring Program	(105)	(170)	
Gain on sale of land in Mexico	97	—	
Charges for previously disclosed litigation matters	(17)	(14)	
Venezuela remeasurement charges	—	(34)	
Gain on sale of South Pacific laundry detergent business	—	187	
Other (income) expense, net, non-GAAP	<u>\$ 12</u>	<u>\$ 31</u>	
Operating Profit	2016	2015	% Change
Operating profit, GAAP	\$ 3,837	\$ 2,789	38 %
2012 Restructuring Program	228	254	
Gain on sale of land in Mexico	(97)	—	
Charges for previously disclosed litigation matters	17	14	
Venezuela deconsolidation	—	1,084	
Venezuela remeasurement charges	—	34	
Gain on sale of South Pacific laundry detergent business	—	(187)	
Operating profit, non-GAAP	<u>\$ 3,985</u>	<u>\$ 3,988</u>	<u>— %</u>
			Basis Point
Operating Profit Margin	2016	2015	Change
Operating profit margin, GAAP	25.3 %	17.4 %	790
2012 Restructuring Program	1.5 %	1.6 %	
Gain on sale of land in Mexico	(0.7)%	— %	
Charges for previously disclosed litigation matters	0.1 %	0.1 %	
Venezuela deconsolidation	— %	6.8 %	
Venezuela remeasurement charges	— %	0.2 %	
Gain on sale of South Pacific laundry detergent business	— %	(1.2)%	
Operating profit margin, non-GAAP	<u>26.2 %</u>	<u>24.9 %</u>	<u>130</u>

Table 9
Continued

Colgate-Palmolive Company

Non-GAAP Reconciliations

For the Twelve Months Ended December 31, 2016 and 2015

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

	2016						
	Income Before Income Taxes	Provision For Income Taxes⁽¹⁾	Net Income Including Non-controlling Interests	Less: Income Attributable To Non-controlling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate⁽²⁾	Diluted Earnings Per Share⁽³⁾
As Reported GAAP	\$ 3,738	\$ 1,152	\$ 2,586	\$ 145	\$ 2,441	30.8 %	\$ 2.72
2012 Restructuring Program	228	59	169	1	168	(0.3)%	0.19
Gain on sale of land in Mexico	(97)	(34)	(63)	—	(63)	(0.1)%	(0.07)
Benefits from previously disclosed tax matters	—	35	(35)	—	(35)	0.9 %	(0.04)
Charges for a previously disclosed litigation matter	17	6	11	—	11	— %	0.01
Non-GAAP	<u>\$ 3,886</u>	<u>\$ 1,218</u>	<u>\$ 2,668</u>	<u>\$ 146</u>	<u>\$ 2,522</u>	<u>31.3 %</u>	<u>\$ 2.81</u>

	2015						
	Income Before Income Taxes	Provision For Income Taxes⁽¹⁾	Net Income Including Non-controlling Interests	Less: Income Attributable To Non-controlling Interests	Net Income Attributable To Colgate-Palmolive Company	Effective Income Tax Rate⁽²⁾	Diluted Earnings Per Share⁽³⁾
As Reported GAAP	\$ 2,763	\$ 1,215	\$ 1,548	\$ 164	\$ 1,384	44.0 %	\$ 1.52
Venezuela deconsolidation	1,084	26	1,058	—	1,058	(11.7)%	1.16
2012 Restructuring Program	254	69	185	2	183	(0.3)%	0.20
Venezuela remeasurement charges	34	12	22	—	22	— %	0.02
Gain on sale of South Pacific laundry detergent business	(187)	(67)	(120)	—	(120)	(0.2)%	(0.13)
Charge for a previously disclosed litigation matter	14	—	14	—	14	(0.1)%	0.02
Charge for a previously disclosed tax matter	—	(15)	15	—	15	(0.4)%	0.02
Non-GAAP	<u>\$ 3,962</u>	<u>\$ 1,240</u>	<u>\$ 2,722</u>	<u>\$ 166</u>	<u>\$ 2,556</u>	<u>31.3 %</u>	<u>\$ 2.81</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.