

COLGATE-PALMOLIVE CO.



Business Summary: Chemicals (MIC: 11.1 SIC: 2844 NAIC: 325620)

Colgate-Palmolive manufactures and markets a variety of products in two business segments: Oral, Personal and Home Care; and Pet Nutrition. Oral, Personal and Home Care products include toothpaste, oral rinses and toothbrushes, bar and liquid hand soaps, shower gels, shampoos, conditioners, deodorants and antiperspirants, shave products, detergents, fabric conditioners, cleansers and cleaners and bleaches. Pet Nutrition products include pet food products manufactured and marketed by Hill's Pet Nutrition. Trademarks include Colgate, Palmolive, Kolynos, Sorriso, Elmex, Mennen, Protex, Softsoap, Irish Spring, Ajax, Axion, Soupline, Suavitel, Hill's Science Diet and Hill's Prescription Diet.

Recent Developments: For the quarter ended Sep 30 2006, net income decreased 0.9% to \$344.1 million from \$347.2 million in the year-earlier quarter. Revenues were \$3.14 billion, up 8.0% from \$2.91 billion the year before. Operating income was \$549.4 million versus \$604.3 million in the prior-year quarter, a decrease of 9.1%. Direct operating expenses rose 6.1% to \$1.42 billion from \$1.33 billion in the comparable period the year before. Indirect operating expenses increased 21.1% to \$1.18 billion from \$973.3 million in the equivalent prior-year period.

Prospects: Looking ahead, Co. expects growth in the U.S. to be driven by new product launches including Softsoap Brand Decorative Collection liquid hand soap and Palmolive Scrub Buster with Micro Beads dish liquid. Also, Co. anticipates its ongoing cost-savings and growth initiatives will provide additional funds for investment in support of key categories and new product development. Co. intends to continue prioritizing its investments towards its higher margin businesses, specifically Oral Care, Personal Care and Pet Nutrition. Accordingly, for fiscal 2006 and fiscal 2007, Co. expects to achieve double-digit earnings per share growth, excluding restructuring and stock-based compensation charges.

Financial Data (US\$ in Thousands)	9 Mos	6 Mos	3 Mos	12/31/2005	12/31/2004	12/31/2003	12/31/2002	12/31/2001
Earnings Per Share	2.38	2.38	2.49	2.43	2.33	2.46	2.19	1.89
Cash Flow Per Share	3.59	3.40	3.38	3.43	3.30	3.29	2.97	2.87
Dividends Per Share	1.220	1.190	1.160	1.110	0.960	0.900	0.720	0.675
Dividend Payout %	51.26	50.00	46.59	45.68	41.20	36.59	32.88	35.71
Income Statement								
Total Revenue	9,028,600	5,884,900	2,870,600	11,396,900	10,584,200	9,903,400	9,294,300	9,427,800
EBITDA	1,771,300	1,140,800	597,700	2,544,300	2,449,900	2,481,500	2,309,600	2,171,000
Depn & Amortn	243,500	162,400	80,200
Income Before Taxes	1,408,000	899,800	480,200	2,079,000	2,002,400	2,041,900	1,870,300	1,668,700
Income Taxes	455,800	291,700	155,700	727,600	675,300	620,600	582,000	522,100
Net Income	952,200	608,100	324,500	1,351,400	1,327,100	1,421,300	1,288,300	1,146,600
Average Shares	550,400	551,400	549,800	556,500	569,300	578,800	589,100	607,700
Balance Sheet								
Total Assets	9,168,500	8,961,200	8,695,800	8,507,100	8,672,900	7,478,800	7,087,200	6,984,800
Current Liabilities	2,860,900	2,660,200	2,663,300	2,743,000	2,730,700	2,445,400	2,148,700	2,123,500
Long-Term Obligations	3,126,200	3,156,000	3,201,200	2,918,000	3,089,500	2,684,900	3,210,800	2,812,000
Total Liabilities	7,533,900	7,365,700	7,408,000	7,157,000	7,427,500	6,591,700	6,736,900	6,138,400
Stockholders' Equity	1,634,600	1,595,500	1,287,800	1,350,100	1,245,400	887,100	350,300	846,400
Shares Outstanding	514,320	516,419	514,667	516,170	526,625	533,697	536,001	550,722
Statistical Record								
Return on Assets %	14.74	14.94	15.83	15.73	16.39	19.52	18.31	16.11
Return on Equity %	89.43	94.36	119.49	104.13	124.12	229.72	215.31	99.08
EBITDA Margin %	19.62	19.39	20.82	22.32	23.15	25.06	24.85	23.03
Net Margin %	10.55	10.33	11.30	11.86	12.54	14.35	13.86	12.16
Asset Turnover	1.34	1.33	1.33	1.33	1.31	1.36	1.32	1.32
Current Ratio	1.14	1.17	1.11	1.01	1.00	1.02	1.04	1.04
Debt to Equity	1.91	1.98	2.49	2.16	2.48	3.03	9.17	3.32
Price Range	62.57-51.78	61.51-49.55	58.28-48.60	56.39-48.55	58.92-43.06	60.88-49.10	58.73-44.36	62.50-51.00
P/E Ratio	26.29-21.76	25.84-20.82	23.41-19.52	23.21-19.98	25.29-18.48	24.75-19.96	26.82-20.26	33.07-26.98
Average Yield %	2.13	2.16	2.19	2.13	1.82	1.64	1.33	1.19

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