

Dear Colgate Shareholder...

Strong Performance Continued in 2008

We are delighted that our strong performance continued in 2008. Global sales rose 11.0% to an all-time record level, and global unit volume from continuing businesses grew 4.0%, with every operating division contributing to the strong volume gains. Advertising spending supporting the Company's brands rose 7% to an all-time record level on top of double-digit growth in 2007, contributing to widespread market share gains in all of our core categories.

Profits in 2008 include \$112.4 million of aftertax charges associated with our previously disclosed 2004 Restructuring Program, which was finalized as of the end of 2008. Excluding restructuring charges and Other Items (which pertain only to 2007), operating profit, net income and diluted earnings per share all increased at a double-digit rate and were at record high levels for the year, despite difficult economic conditions worldwide. A complete reconciliation between reported results and results excluding the 2004 Restructuring Program and Other Items, including a description of such Other Items, is available on Colgate's web site and on page 23 of this report.

Excluding restructuring charges, gross profit margin decreased 60 basis points to 56.7%, due to negative foreign exchange and a lag between the impact of significant increases in raw and packaging material costs worldwide and price increases implemented to offset them. Including restructuring charges, gross profit margin was 56.3%.

We are very pleased with the continued strength of our balance sheet and cash flow, with operating cash flow reaching a record \$2,238.3 million for the year. This strength serves us well, especially in light of recent challenges in the global financial markets. The Company's strong cash generation and positive growth momentum led the Board of Directors to authorize an 11% increase in the quarterly dividend rate, effective in the second quarter of 2008.

Our market shares are healthy around the world, driven by engaging, integrated marketing communications. Our global leadership in toothpaste and manual toothbrushes increased to record highs in 2008, and we have seen continued global share growth in mouthwash, power toothbrushes, bar soaps and hand dishwashing liquids.

As we continue to build on our global strength, a cornerstone of our success remains our sharp focus on four clearly defined strategic initiatives: (1) getting closer to consumers, the profession and our customers; (2) driving innovation throughout all areas of our business; (3) increasing effectiveness and efficiency everywhere; and (4) strengthening leadership worldwide. Not only do we see the benefits of this focus in our business results, we also hear from consumers, colleagues and business partners about the value our approach brings to them. In the pages that follow, we have included some of their comments, as well as details about each of our strategic initiatives.

Improved Go-to-Market Initiatives

Strengthening our relationships with consumers, dental and veterinary professionals, and customers is critical to the continued success of our brands in the marketplace and to generating profitable growth in each of our core businesses: Oral Care, Personal Care, Home Care and Pet Nutrition.

To best reach today's consumers, both in and out of the store, Colgate uses engaging integrated marketing communications that include a mix of traditional and new media, as well as creative promotional activities. In Europe, for example, the relaunch of Colgate Total toothpaste included a series of simple messages challenging consumers to think about their oral care protection. Marketing communications containing messages such as "Are you protected?" and "Don't forget to protect," extended across TV and print ads, the Internet, mass transit and store entrances. Additionally, in the oral care aisle, shelf signage provided essential information regarding Colgate Total's advanced, therapeutic benefits and promotional staff, dressed in white coats, engaged shoppers and answered questions.



Ian Cook
Chairman, President and
Chief Executive Officer





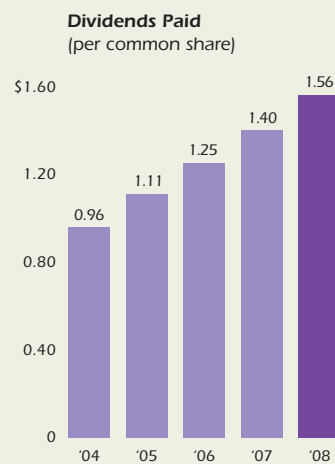
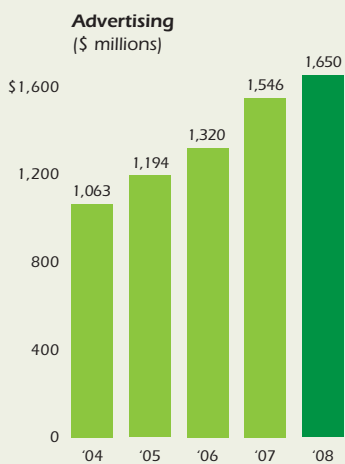
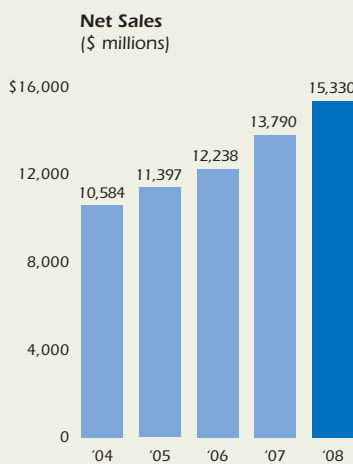
Our global shopper marketing program, which focuses on in-store behavior, is another way we are identifying new growth opportunities for Colgate and our retail partners. For example, we learned that dog owners who live a natural lifestyle want their dogs to enjoy a similar lifestyle, and that 90% of natural-brand shoppers read product label information before buying. As a result, Hill's upgraded Science Diet Nature's Best pet food and redesigned its packaging to better communicate benefits and key ingredients. Hill's also partnered with U.S. pet retailer PETCO to target natural-brand shoppers with coupons, to feature Science Diet Nature's Best in circulars and to provide prominent positioning for the product within PETCO's naturals food store-within-a-store at select locations. The initiative strengthened the naturals category for the retailer and grew Hill's sales of Science Diet Nature's Best at PETCO by more than 50%.

Equally important in driving growth is our relationship with dental and veterinary professionals. Their endorsements drive trial, long-term loyalty and market leadership. In oral care, we have expanded the size of the Colgate professional sales force who visit dental offices, and we are placing a sharper focus on partnering with academia and key opinion leaders. Colgate researchers around the world have ongoing dialogue with these experts regarding trends, advances in dental research and their reactions to new technologies and products.

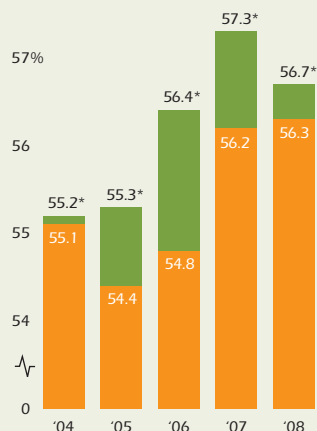
One program that has been especially successful in developing closer relationships with the profession involves inviting dentists to tour the oral care portion of Colgate's Global Technology Center located in Piscataway, New Jersey. Building on this strength, in 2008, Hill's began inviting veterinarians to tour Hill's state-of-the-art research facility, known as the Pet Nutrition Center, in Topeka, Kansas. Allowing vets to see firsthand the care and precision of Hill's product development process builds credibility and is creating strong advocates for the brand.

Alignment of our goals and strategies with those of our retail customers is another critical component of our business strategy. One new initiative rolling out globally fosters the joint development of commercial plans that align both the customer's and Colgate's strategic priorities and business goals.

Colgate has developed global commercial selling principles that apply to our relationships with all customers, regardless of their size or location. These principles provide specific guidelines on how to achieve business goals while maintaining Colgate's commitment to its values and to upholding the highest ethical standards in its business dealings. To help ensure full compliance with the principles globally, all Colgate commercial personnel are required to attend a comprehensive training workshop taught by senior-level Colgate executives. The principles have been extremely well received.

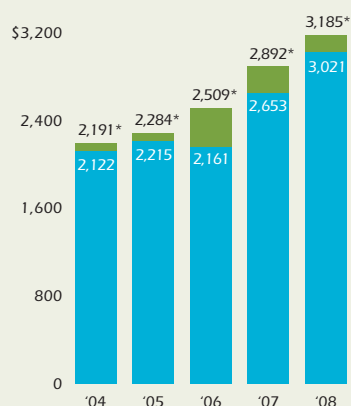


Gross Profit Margin and Additional Information*
(% of sales)



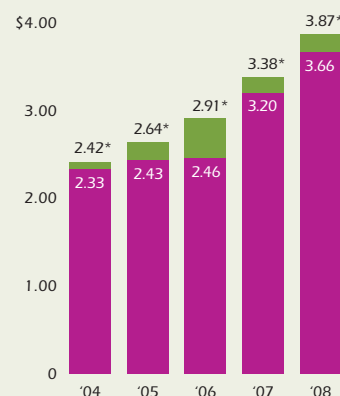
* Excludes restructuring and implementation-related charges related to the 2004 Restructuring Program that reduced gross profit by \$59 million, \$154 million, \$196 million, \$100 million and \$3 million in 2008, 2007, 2006, 2005 and 2004, respectively. These charges reduced gross profit margin as a percentage of net sales by 40 basis points, 110 basis points, 160 basis points, 90 basis points and 10 basis points in 2008, 2007, 2006, 2005 and 2004, respectively. A complete reconciliation between reported results and results excluding charges under the 2004 Restructuring Program and Other Items, including a description of such Other Items, is available on Colgate's web site and on page 23 of this report.

Operating Profit and Additional Information*
(\$ millions)



* Excludes restructuring and implementation-related charges related to the 2004 Restructuring Program that reduced operating profit by \$164 million, \$259 million, \$395 million, \$183 million and \$69 million in 2008, 2007, 2006, 2005 and 2004, respectively. In addition, 2007, 2006 and 2005 exclude the net impact of certain Other Items that increased operating profit by \$20 million, \$47 million and \$114 million, respectively. A complete reconciliation between reported results and results excluding charges under the 2004 Restructuring Program and Other Items, including a description of such Other Items, is available on Colgate's web site and on page 23 of this report.

Diluted Earnings Per Share and Additional Information*



* Excludes restructuring and implementation-related charges related to the 2004 Restructuring Program that reduced diluted earnings per share by \$0.21, \$0.34, \$0.52, \$0.26 and \$0.09 in 2008, 2007, 2006, 2005 and 2004, respectively. In addition, 2007, 2006 and 2005 exclude the net impact of certain Other Items that increased diluted earnings per share by \$0.16, \$0.07 and \$0.05, respectively. A complete reconciliation between reported results and results excluding charges under the 2004 Restructuring Program and Other Items, including a description of such Other Items, is available on Colgate's web site and on page 23 of this report.

Stronger Focus on Innovation

Underlying our success is a strong focus on innovation throughout all areas of our business from new product development to the supply chain to all business functions and processes.

We have greatly strengthened our innovation capabilities in a number of ways. The number of marketing professionals dedicated full time to new product development has increased by more than 50% in the past four years. Additionally, we have reorganized the research and development function into dedicated teams focused on specific elements of the innovation process. These include conducting early research, seeking external innovation opportunities, developing products that combine consumer needs with technology, and global implementation support for quality execution.

To make sure early research is best aligned with consumer and marketplace needs, a series of cross-functional meetings takes place regularly, bringing together Colgate people from Global Marketing, the Consumer Innovation Centers, Research and Development and the Global Supply Chain. Working together helps ensure flawless execution from concept to market.

Recognized for our best-in-class scientific discipline, we conduct more than 250 clinical research studies each year in more than 30 countries to support our product concepts and validate new technologies. These studies also create opportunities for academic endorsement, publication in scientific journals and presentations at global dental conferences, all of which help to further build our credibility with dental professionals and consumers.

Colgate is also accelerating innovation by building collaborative partnerships with leading suppliers, research institutes and other outside experts. For example, Colgate has formed an alliance with The Forsyth Institute, the world's leading independent organization dedicated to scientific research and education in oral health. Together, we are working to expand scientific, dental and medical knowledge and to transform exciting, innovative discoveries into new products.

Becoming Even More Efficient Everywhere

The Company's four-year restructuring and business-building program (the 2004 Restructuring Program), which was finalized as of December 2008, has positioned us well to continue to generate savings throughout all areas of our

business, providing funding for activities that generate growth and profitability.

We are becoming ever more streamlined as we progress toward a truly global supply chain, providing us with greater flexibility and increased cost efficiencies. Since 2004, Colgate has reduced the number of manufacturing plants worldwide by over 25%, which includes five new state-of-the-art facilities. These new factories are environmentally friendly, making more efficient use of energy, water, materials and land.

Our fully global approach to procurement of both direct materials and indirect goods and services is also delivering millions of dollars in savings each year, ahead of our original estimates. Our professional procurement specialists are involved in purchasing almost everything we buy. Their expert ability to obtain the best possible value by leveraging global and regional resources is helping us succeed in today's challenging cost environment.

Another global initiative, Colgate Business Planning (CBP), a fully integrated commercial planning and execution discipline, from the budget process through to the store shelf, is accelerating profitable growth by contributing to higher market shares, net sales and margin growth. Supported by SAP software, CBP incorporates a strong return on investment methodology to ensure the most efficient use of promotional investments. We are making good progress in implementing CBP in phases around the world, with 87% of our business having implemented at least the first phase of the program as of the end of 2008.



Strengthening Leadership Worldwide

We firmly believe our continued success is tightly linked to strengthening the personal leadership of Colgate people at all levels of the organization. At Colgate, personal leadership entails living the Company's strong global values of Caring, Continuous Improvement and Global Teamwork and following our Managing With Respect principles. These values and principles have long been the foundation of our culture, which values and respects the contributions of all Colgate people and places a high priority on conducting business with the highest ethical standards.

Developing the next generation of leaders is an integral part of Colgate's business strategy. The Company uses a formal process to identify next-generation leaders early in their careers. Their career paths are laid out to build an array of required skills and prepare them for leadership roles. As their careers progress, they are given broad in-market experience across geographies and functions in addition to training that instills Colgate's values and culture, and strengthens leadership and functional skills.

Our commitment to strengthening leadership worldwide extends to being a leader in caring for communities around the world. Since 1991, Colgate's "Bright Smiles, Bright Futures" program has provided oral health education to over 500 million children in 80 countries and in 30 languages. As part of this comprehensive global oral health initiative, Colgate has partnered with the World Health Organization's Global Child Dental Health Taskforce to create 30 Oral Health Centers of Excellence in different countries around the world. Colgate is helping the Taskforce achieve its mission to significantly improve the oral health of children worldwide and to help eradicate cavities in children within the next 20 years.

Looking Ahead

In this time of uncertain economic conditions around the world, we are keeping a very close watch on any signs of change and are prepared to meet the challenges they bring. We stand ready to respond appropriately and quickly. Our conservative financial approach has served us well and will continue to do so. We are confident that Colgate is well positioned for long-term, sustainable growth due to our financial strength, our market leadership in many of our categories around the world and our strong belief that we have the right strategies in place to succeed.

We are firmly committed to becoming closer to consumers everywhere, to strengthening our partnerships with the dental and veterinary professions and our customers, to fostering innovation in all areas of our business, to becoming even more effective and efficient in everything we do, and to strengthening leadership worldwide.

As we move ahead together through today's challenging and rapidly changing global marketplace, I wish to thank all Colgate people worldwide for their personal commitment and efforts, and express appreciation for the support of our customers, suppliers, agencies, shareholders and directors.

Thank You,

Ian Cook
Chairman, President and Chief Executive Officer