

# Another Year Of Strong Performance

(Dollars in Millions Except Per Share Amounts)

|   | 2008*              | 2007†       | Change           |
|---|--------------------|-------------|------------------|
| Unit Volume, Excluding Divested Businesses        |                    |             | +4.0%            |
| Worldwide Sales                                   | <b>\$ 15,329.9</b> | \$ 13,789.7 | +11.0%           |
| Gross Profit Margin                               | <b>56.3%</b>       | 56.2%       | +10 basis points |
| Operating Profit                                  | <b>\$ 3,020.7</b>  | \$ 2,653.1  | +14%             |
| Operating Profit Margin                           | <b>19.7%</b>       | 19.2%       | +50 basis points |
| Net Income  | <b>\$ 1,957.2</b>  | \$ 1,737.4  | +13%             |
| Net Income Percent to Sales                       | <b>12.8%</b>       | 12.6%       | +20 basis points |
| Diluted Earnings Per Share                        | <b>\$ 3.66</b>     | \$ 3.20     | +14%             |
| Dividends Paid Per Share                          | <b>\$ 1.56</b>     | \$ 1.40     | +11%             |
| Operating Cash Flow                               | <b>\$ 2,238.3</b>  | \$ 2,203.7  | +2%              |
| Number of Registered Common Shareholders          | <b>31,400</b>      | 32,200      | -2%              |
| Number of Common Shares Outstanding (in millions) | <b>501</b>         | 509         | -2%              |
| Year-end Stock Price                              | <b>\$ 68.54</b>    | \$ 77.96    | -12%             |

## Highlights

- ▶ Worldwide sales rose 11.0% to an all-time record level.
- ▶ Every operating division contributed to the strong 4.0% unit volume growth.
- ▶ Operating profit, net income and diluted earnings per share all increased at a double-digit rate for the year.
- ▶ Global advertising grew 7% to an all-time record level of \$1,649.5 million, on top of double-digit growth in the prior year.
- ▶ Operating cash flow reached an all-time record level of \$2,238.3 million.
- ▶ The quarterly dividend rate increased by 11% in 2008.

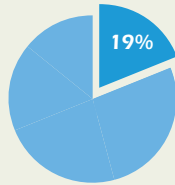
\* Net income and diluted earnings per share in 2008 include an aftertax charge of \$112.4 million (\$0.21 per share) related to the 2004 Restructuring Program.

† Net income and diluted earnings per share in 2007 include an aftertax charge of \$183.7 million (\$0.34 per share) related to the 2004 Restructuring Program and the net aftertax impact of certain Other Items that increased net income by \$85.4 million (\$0.16 per share).

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.

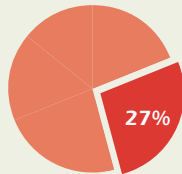


# Growth Highlights Of Five Divisions (% of sales)



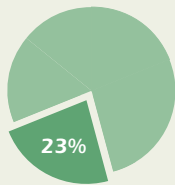
## North America

- ▶ Unit volume grew 1.5% in 2008.
- ▶ Sales and operating profit increased 5.0% and 3%, respectively.
- ▶ Strong sales of Colgate Total Advanced Clean and Colgate Total Advanced Whitening toothpastes helped drive market share for the Colgate Total equity in the U.S. to a record high for the year.
- ▶ Colgate's share of the manual toothbrush market in the U.S. also reached a record high for the year.



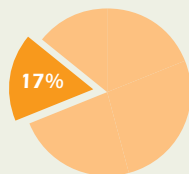
## Latin America

- ▶ Unit volume grew 6.5% in 2008, excluding divestments.
- ▶ Sales and operating profit both increased 17.0%.
- ▶ Strong sales of premium-priced offerings such as Colgate Total Professional Sensitive and Colgate Max White toothpastes, Colgate 360° Deep Clean manual toothbrush, Colgate Plax Ice mouthwash and Suavitel Magic Moments fabric conditioner contributed to share gains throughout the region.



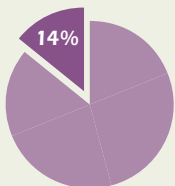
## Europe/South Pacific

- ▶ Unit volume grew 0.5% in 2008.
- ▶ Sales increased 6.0% and operating profit declined 2%.
- ▶ Colgate Total, Colgate Max Fresh and Colgate Sensitive Enamel Protect toothpastes, Colgate 360° Deep Clean manual toothbrush, Colgate 360° Sonic Power battery toothbrush, Palmolive Naturals shower gel and Ajax Professional liquid cleaner contributed to growth throughout the region.



## Greater Asia/Africa

- ▶ Unit volume grew 7.5% in 2008, excluding divestments.
- ▶ Sales and operating profit grew 14.0% and 23%, respectively.
- ▶ Colgate Total Professional Clean, Colgate Max White and Darlie Salt White toothpastes, Colgate 360° Deep Clean and Colgate Max Fresh manual toothbrushes, Palmolive Nutra-Oil shower gel and Protex Aloe shower cream and bar soap contributed to growth throughout the region.



## Hill's Pet Nutrition

- ▶ Unit volume grew 2.5% in 2008.
- ▶ Sales and operating profit increased 15.5% and 11%, respectively.
- ▶ Veterinary recommendations and innovative new products including Science Diet Nature's Best Canine and Feline, the relaunch of Science Diet Puppy and Kitten foods with improved formulas, and Prescription Diet j/d Canine contributed to growth at Hill's.

