



Succeeding With Consumers



Mexico

Providing Families With Innovative Fabric Conditioners

In Mexico, Suavitel fabric conditioner has been helping families care for their clothes for over 37 years and today is the leading fabric conditioner in that market. Colgate is succeeding with consumers by using advanced technologies to provide new product benefits consumers want. For example, the unique formula for Suavitel Magic Moments contains an encapsulated technology that provides touch-release fragrance for months after washing, and new Suavitel Goodbye Ironing dramatically reduces wrinkles, saving ironing time.

China

Growing Toothpaste Leadership

Colgate's share of the toothpaste market continues to strengthen in China, an important emerging market of 1.3 billion consumers where the toothpaste category has grown 60% over the past three years.



Strengthening Colgate's connection with consumers around the world and providing them with innovative, value-added Oral Care, Personal Care, Home Care and Pet Nutrition products is a cornerstone of Colgate's strategy to drive global growth.

With more than half of purchase decisions now being made in the store, connecting with consumers while they shop is more important than ever. Colgate's global shopper marketing initiative focuses on analyzing in-store behavior to convert shoppers into buyers. In Thailand, for example, Colgate captured the attention of mouthwash users at the store shelf by offering a trial size of Colgate Plax mouthwash and allowing shoppers to sample different variants right in the store. To attract non-users of mouthwash, who may not go down the mouthwash aisle, the trial size of Colgate Plax was offered on a movable display in other areas of

the store. As a result, in just one year, the market share for Colgate Plax jumped from 1% to 14%, its share of the retail shelf increased from 2% to 20%, and the mouthwash category grew by 25%.

Colgate is also reaching consumers with integrated marketing communications that include a mix of traditional and new media, as well as creative promotional activities. In Latin America, for example, the launch of new Lady Speed Stick Depil Control deodorant, designed to provide a closer shave experience and a smoother skin feel, included television, magazine and outdoor advertising, a web site and extensive in-store display materials, all featuring heroine Barbara Blade, the brand's well-known spokeswoman who leads a busy, adventurous lifestyle. Since the launch, market shares for Lady Speed Stick deodorant have grown nearly a full share point throughout the region.



Succeeding With The Profession

Colgate's strong relationships with dental and veterinary professionals build credibility, endorsement and long-term brand loyalty for Colgate's Oral Care and Pet Nutrition businesses.

To strengthen its relationships with dental professionals worldwide, Colgate follows a 10-point plan of guidelines that build scientific support and recommendation for Colgate products. The guidelines cover a range of sales, marketing and promotional activities such as sampling, participating in Oral Health Month, obtaining dental seals of approval and attending dental conventions to enhance the profession's understanding of the science and research behind our products and technologies.

To further strengthen its partnership with the dental community, in 2009 Colgate developed a new global training program for the Company's professional sales force



(known as “detailers”) who visit dental offices. The program develops Colgate detailers to serve as oral care consultants who provide valuable scientific information to dental professionals. During the training, the detailers work closely with managers in marketing and scientific affairs to improve their ability to communicate the science behind Colgate products and increase professional endorsements.

Similarly, at Hill’s, veterinary practitioners are provided with ongoing professional education and support, and are invited to tour Hill’s state-of-the-art scientific research center, known as the Pet Nutrition Center, in Topeka, Kansas, to see firsthand the care and sophistication of the Hill’s product development process. Dentists participate in similar tours of the oral care portion of Colgate’s Global Technology Center in Piscataway, New Jersey.



Hill’s Pet Nutrition

Supporting Education In Pet Nutrition For Veterinarians

In partnership with the University of Guelph’s Ontario Veterinary College, Canada’s largest veterinary education program, Hill’s Pet Nutrition is helping to place greater emphasis on nutritional training. The program now includes pet nutrition as part of its core curriculum and provides veterinary students with extensive hands-on training with clients and patients at the Hill’s-sponsored veterinary primary care hospital on campus. As a result, the next generation of veterinarians is becoming more knowledgeable about pet nutrition and better able to educate their clients about healthy diets for their pets.

United Kingdom

Gaining Professional Endorsements With Breakthrough Technology

The patented technology in Colgate Sensitive Pro-Relief toothpaste offers instant and long-lasting relief for tooth sensitivity, a condition that affects over one billion people globally. Prior to the consumer launch, this powerful new toothpaste was introduced first to dental professionals and distributed only in pharmacies. Colgate Sensitive Pro-Relief toothpaste has now been introduced to consumers and is being rolled out in mass retail outlets throughout Europe, Asia and Latin America. Overall, this strategy builds credibility with the dental profession and has contributed to Colgate toothpaste being the brand recommended and used most often by dentists worldwide.





Succeeding With Our Customers



South Africa

Working With Small Shop Owners To Offer The Best Product Assortment

Identifying the right assortment of Colgate products is especially important in small stores, where space is limited. Colgate works closely with small shop owners giving them the information they need to select the best combination of products for their store. As a result, consumers, shop owners and Colgate benefit with stronger sales driven by better meeting consumers' needs.

Guatemala

Collaborating To Provide Shoppers In-Store Trial

With more than half of purchase decisions now being made in the store, Colgate works closely with retailers around the world to communicate product benefits at the shelf. In Guatemala, elaborate displays allow shoppers to experience the moisturizing benefits of Palmolive Nutri-Milk bar soap right in the store, while Colgate representatives are available to discuss product benefits and distribute samples. This program and others like it have strengthened Colgate's leadership of the bar soap market throughout Latin America, with Colgate's regional market share in that category now at a record 28.2%.



Working together, Colgate and its customers identify ways to offer shoppers the best value and service, leading to increased sales for both Colgate and the retailer.

Around the world, Colgate is working closely with thousands of small shop owners and local wholesalers to ensure greater availability of Colgate products, as well as to provide the right assortment of products with best visibility on the store shelf. For instance, to drive distribution and greater awareness for Colgate Twister Fresh manual toothbrush in the Antioquia region of Colombia, Colgate provided shop owners with training on product benefits, and utilized in-store signage and displays along with local media support and endorsement from local dental professionals. Within three months of the campaign, Colgate's toothbrush market share in that region grew from 24% to 43%.

Joint Business Planning in certain areas is another way Colgate is strengthening its relationships with the retail trade. Cross-functional customer teams, including personnel from customer development, marketing, customer service and finance, jointly develop long-term strategic plans with their counterparts at our retail customers. Colgate's retail partners have welcomed the collaboration, which is leading to growth for them and for Colgate.

Treating all customers with transparency, fairness and integrity is a priority at Colgate. All Colgate people who have contact with customers are required to complete a workshop on implementing the Company's global commercial selling principles. The principles set forth guidelines on how to achieve Colgate's business goals in a dynamic, global marketplace, while maintaining Colgate's commitment to its values and to upholding the highest ethical standards in its business dealings.



Innovating Everywhere

Innovation is encouraged and rewarded at Colgate across all functions, processes and geographies because creative thinking is a key ingredient in driving profitable growth.

Providing consumers with a stream of innovative new products across categories is contributing to growing market shares around the world. One innovation doing very well in Europe is Science Plan Healthy Mobility Canine, a new wellness food for dogs that promotes active mobility, supports joint flexibility and enhances ease of movement.

In the U.S., where consumers are increasingly searching for multi-benefit products, new Softsoap Nutri-Serums body-wash is infused with nutrient-rich softening serum pearls similar to the serums used in facial products to deliver softer, healthier-looking skin.

Innovation at Colgate extends beyond product development to all business processes. In Australia, a creative



marketing campaign for toothbrushes drove manual toothbrushes to their highest market share ever. The campaign, called Invisible Nasties, reminded shoppers that they should replace their toothbrushes regularly to prevent the buildup of invisible bacteria on brushes over time. The campaign included extensive in-store promotional materials, such as in-aisle commercials, displays, retail shelf signs and calendar reminder stickers.

Colgate is also using creative ways to stimulate the product development ideation process, such as the Global Technology Challenge. The goal of the program is to address specific business challenges by encouraging Colgate's global technology community to think "out of the box" and collaborate via on-line brainstorming sessions. Over 720 Colgate people participated in the most recent challenge focused on underarm products, which led to several creative solutions.



Mom! You First!

Turkey

Creative Marketing Driving Growth

In Turkey, when Colgate researchers learned that mothers will brush their own teeth more in order to serve as role models for their children, an innovative, integrated marketing campaign was created with the theme, "Mom! You First!" After just one month, the campaign, which included engaging in-store displays and communication, as well as advertising in magazines, newspapers and retailer web sites, contributed to higher market shares for Colgate toothpaste and toothbrushes, each up 1.4 percentage points. The program was so successful that it is now being expanded into other markets.

United States

Colgate Wisp Mini-Brush Winning With Consumers

One of a kind, new Colgate Wisp disposable mini-brush contains a breath-freshening bead that is used without water, designed for on-the-go teeth cleaning and breath freshening. Targeted toward young adults with a busy lifestyle, Colgate's marketing campaign for Wisp uses a mix of traditional media as well as non-traditional promotional activities such as on-line contests, social media and sampling on college campuses. In just 10 months, Wisp has gained 5.0% of the U.S. manual toothbrush market, with Colgate's overall share of the U.S. manual toothbrush market reaching a record 32.2% for the year, up 5.2 share points versus year ago.



Effectiveness And Efficiency In Everything



United States

Increasing Efficiency With A New Water Recovery System

Consistent with Colgate's commitment to sustainability, workers at Colgate's Morristown, New Jersey, facility developed a way to recover water rejected for use in Softsoap formulas by redirecting it and putting it through a water purification system in the plant. The new system recovers more than 26 gallons of water per minute, reducing water waste by almost 95% and resulting in savings of \$250,000 per year.

Global

Generating Savings By Simplifying Formulas And Packaging

Focusing on business simplification everywhere, Colgate is reducing the number of product formulas and packaging globally. Led by the Home Care team in Europe, where formulas have been reduced by 20% and the number of different bottle types was reduced from 84 to 22, the global business simplification efforts are not only generating ongoing cost savings and less complexity, but are also creating more environmentally-sound products and packaging.



Colgate continuously looks for more efficient ways of doing business in order to fund new product development and marketing activities, and deliver greater profitability.

Colgate's ongoing Global Funding the Growth program has consistently delivered savings averaging over \$400 million each year for the last five years and reached an all-time record level in 2009. In one example, by opening a new environmentally sustainable distribution center in Portland, Oregon, Colgate improved service to its customers in the Pacific Northwest, while reducing fuel and transportation costs and carbon dioxide emissions.

Colgate is also generating savings on indirect purchases, which are managed by a team of global and local procurement specialists. In real estate, for example, the Company renegotiated with current suppliers for better lease terms in several countries around the world, including one Europe-

an office where the new lease agreement generated over \$1.3 million in savings.

Colgate has also expanded its manufacturing capacity for dry dog food and for toothbrushes with the opening of four new highly efficient plants. New Hill's plants in Emporia, Kansas, and Hustopece, Czech Republic, will supply the U.S. and European markets, respectively. New toothbrush plants supplying global markets were opened in Vietnam and in Sanxiao, China, where over one billion toothbrushes are produced per year.

An ongoing business simplification initiative is generating significant savings by reducing the number of formulas, packaging, ingredients and items, known as stock keeping units or SKUs, for all of the Company's core businesses. For example, in South Africa, the overall number of SKUs was reduced by 23%.





Strengthening **Leadership** Worldwide



Colgate's long-term success is linked to its culture, which encourages all Colgate people to demonstrate personal leadership every day. Personal leadership involves not only delivering superior business results but also dedication to Colgate's global values of Caring, Continuous Improvement and Global Teamwork.

Leadership at Colgate extends to caring for our communities. Colgate's "Bright Smiles, Bright Futures" global oral health initiative brings oral health education and preventive services to children all over the world and has reached more than 500 million children in 80 countries and in 30 languages since the program's inception in 1991.

Similarly, Colgate partners with public health officials worldwide to reach millions of children annually with its

"Clean Hands, Good Health" global hand-washing program, which features Protex antibacterial soap.

Team-building activities within Colgate are also focused on social responsibility. For example, Colgate's leadership team for the Greater Asia division spent two days working together in partnership with the Tabitha Foundation to assist in building houses for impoverished families in Cambodia.

Colgate's commitment to developing personal leadership is a formal process that includes goal setting, training courses to strengthen skills and support personal development, and ongoing feedback from managers. On-line tools for career planning can be accessed directly by Colgate people in more than 90 countries in 17 different languages.



Global

Recognizing Outstanding Colgate Employees

Since 1986, the Chairman's You Can Make A Difference (YCMAD) award program has been the premier recognition program for all Colgate people around the world. The program has recognized thousands of Colgate people at all levels, whose outstanding achievements have contributed to Colgate's success. Global winners receive shares of Colgate stock and a trip to corporate headquarters in New York to meet with senior management and be recognized at the Company's annual shareholder meeting. Many of the process improvements, product innovations and problem solutions recognized with YCMAD awards have become global best practices.

Hill's Pet Nutrition

Encouraging Adoptions Of Homeless Pets

Hill's Pet Nutrition's ongoing Second Chance For Love pet adoption campaign helped place nearly one million dogs and cats into new homes in the United States last year. Hill's partners with over 1,100 animal shelters across the country to encourage pet adoption, last year donating almost 20 million pounds of Hill's Science Diet pet food to participating shelters. The campaign includes promotions with major pet food retailers and adoption drives, like the one pictured at left, where specially trained Hill's representatives inform prospective pet owners about the benefits of feeding Science Diet to their new pet and provide product samples.