COLGATE-PALMOL. NYSE-CL

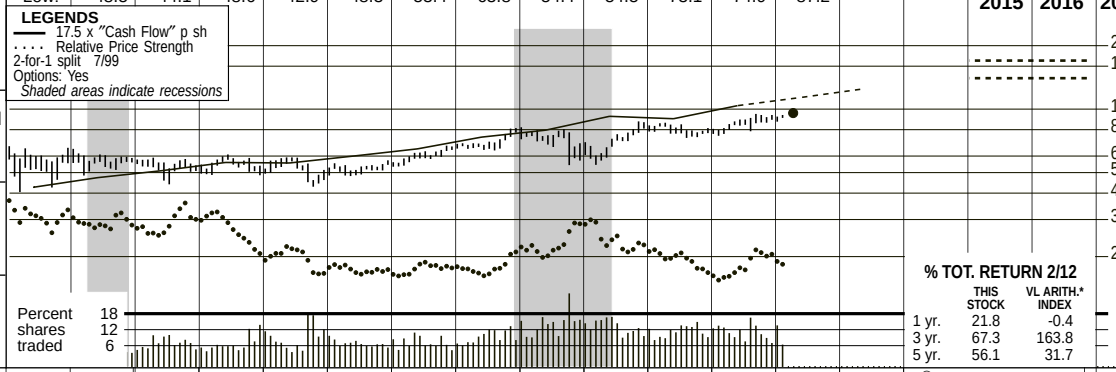
RECENT PRICE	95.65	P/E RATIO	18.4 (Trailing: 19.4 / Median: 20.0)	RELATIVE P/E RATIO	1.18	DIV'D YLD	2.6%	VALUE LINE

TIMELINESS 3 Raised 7/1/11
SAFETY 1 Raised 10/11/02
TECHNICAL 4 Lowered 3/30/12
BETA .60 (1.00 = Market)

High:	64.8	58.9	61.0	59.0	57.2	67.1	81.3	82.0	87.4	86.1	94.9	96.1
Low:	48.5	44.1	48.6	42.9	48.3	53.4	63.8	54.4	54.5	73.1	74.9	87.2

Target Price Range
2015 | 2016 | 2017

LEGENDS
— 17.5 x "Cash Flow" p sh
.... Relative Price Strength
2-for-1 split 7/99
Options: Yes
Shaded areas indicate recessions



2015-17 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	170	(+80%)	*17%*
Low	140	(+45%)	*12%*

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	18	0	0	4	0	0	7	0	4
to Sell	14	2	3	6	8	1	11	2	5

Institutional Decisions

	2Q2011	3Q2011	4Q2011
to Buy	379	387	410
to Sell	474	475	480
Hld's(000)	353232	350049	343328

% TOT. RETURN 2/12

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.8	-0.4
3 yr.	67.3	163.8
5 yr.	56.1	31.7

1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
14.87	15.33	15.33	15.75	16.51	17.12	17.34	18.59	20.10	22.08	23.87	27.09	30.57	31.02	31.45	34.86	*37.20*	*40.20*	Sales per sh E	*51.45*
1.58	1.76	1.98	2.17	2.44	2.70	2.92	3.20	3.18	3.42	3.71	4.21	4.54	5.29	5.14	5.94	*6.50*	*7.15*	"Cash Flow" per sh	*9.20*
1.05	1.22	1.31	1.47	1.70	1.91	2.19	2.46	2.42	2.64	2.91	3.38	3.66	4.37	4.31	4.94	*5.40*	*5.95*	Earnings per sh A	*7.80*
.47	.53	.55	.59	.63	.68	.72	.90	.96	1.11	1.25	1.40	1.56	1.72	2.03	2.27	*2.44*	*2.64*	Div'ds Decl'd per sh B■	*3.50*
.78	.81	.67	.64	.65	.62	.64	.57	.66	.75	.93	1.15	1.36	1.16	1.11	1.12	*1.25*	*1.35*	Cap'l Spending per sh	*1.70*
2.79	3.04	2.92	2.21	1.61	.54	d.37	.63	1.84	2.12	2.32	4.10	3.47	5.96	5.41	4.95	*5.25*	*5.70*	Book Value per sh C	*11.50*
588.54	590.81	585.42	578.86	566.66	550.72	536.00	532.61	526.63	516.17	512.66	509.03	501.41	494.17	494.85	480.02	*465.00*	*450.00*	Common Shs Outst'g D	*420.00*
19.7	25.4	32.2	33.9	32.7	29.8	24.8	22.3	21.8	19.7	20.6	20.5	19.8	16.1	18.6	17.3	*Bold figures are*		Avg Ann'l P/E Ratio	*20.0*
1.23	1.46	1.67	1.93	2.13	1.53	1.35	1.27	1.15	1.05	1.11	1.09	1.19	1.07	1.18	1.09	*Value Line*		Relative P/E Ratio	*1.35*
2.3%	1.7%	1.3%	1.2%	1.1%	1.2%	1.3%	1.6%	1.8%	2.1%	2.1%	2.0%	2.2%	2.5%	2.5%	2.7%	*estimates*		Avg Ann'l Div'd Yield	*2.2%*
						9294.3	9903.4	10584	11397	12238	13792	15330	15327	15564	16734	*17300*	*18100*	Sales ($mill) E	*21600*
						23.0%	24.9%	24.6%	24.5%	23.8%	24.0%	23.2%	26.6%	26.8%	25.4%	*26.0%*	*26.7%*	Operating Margin	*28.0%*
						296.5	315.5	327.8	329.3	328.7	333.9	347.6	351.0	376.0	421.0	*440*	*455*	Depreciation ($mill)	*500*
						1288.3	1421.3	1375.1	1466.6	1601.5	1835.7	1957.2	2291.0	2203.0	2431.0	*2590*	*2765*	Net Profit ($mill)	*3350*
						31.1%	30.4%	33.6%	35.2%	31.9%	32.9%	33.1%	32.2%	32.6%	32.6%	*31.5%*	*32.5%*	Income Tax Rate	*33.0%*
						13.9%	14.4%	13.0%	12.9%	13.1%	13.3%	12.8%	14.9%	14.2%	14.5%	*14.8%*	*15.3%*	Net Profit Margin	*15.5%*
						79.4	51.1	9.2	14.1	d168.1	455.8	756.7	211.0	2.0	686.0	*300*	*350*	Working Cap'l ($mill)	*750*
						3210.8	2684.9	3089.5	2918.0	2720.4	3221.9	3585.3	2821.0	2815.0	4430.0	*4100*	*3800*	Long-Term Debt ($mill)	*2500*
						350.3	887.1	1245.4	1350.1	1410.9	2286.2	1922.1	3116.0	2675.0	2375.0	*2450*	*2560*	Shr. Equity ($mill)	*4820*
						37.9%	41.3%	32.9%	35.8%	40.5%	34.6%	36.5%	39.4%	41.0%	36.1%	*41.0%*	*44.0%*	Return on Total Cap'l	*46.5%*
						367.8%	160.2%	110.4%	108.6%	113.5%	80.3%	101.8%	73.5%	82.4%	NMF	*NMF*	*NMF*	Return on Shr. Equity	*69.5%*
						- -	271.3%	86.4%	78.4%	77.7%	52.0%	65.0%	47.4%	43.8%	51.7%	*41.5%*	*47.5%*	Retained to Com Eq	*38.0%*
						32%	36%	39%	41%	42%	41%	42%	39%	47%	49%	*45%*	*44%*	All Div'ds to Net Prof	*45%*

CAPITAL STRUCTURE as of 12/31/11
Total Debt $4810 mill. Due in 5 Yrs $2273 mill.
LT Debt $4430 mill. LT Interest $106 mill.
(65% of Cap'l)

Leases, Uncapitalized Annual rentals $201 mill.

Pension Assets-12/11 $1.86 bill. **Oblig.** $2.79 bill.

Pfd Stock None
Common Stock 480,018,066 shs.

MARKET CAP: $45.9 billion (Large Cap)

CURRENT POSITION ($MILL.)	2009	2010	12/31/11
Cash Assets	600.0	490.0	878.0
Receivables	1626.0	1610.0	1675.0
Inventory (FIFO)	1209.0	1222.0	1327.0
Other	375.0	408.0	522.0
Current Assets	3810.0	3730.0	4402.0
Accts Payable	1172.0	1165.0	1244.0
Debt Due	361.0	609.0	380.0
Other	2066.0	1954.0	2092.0
Current Liab.	3599.0	3728.0	3716.0

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
Sales	7.0%	8.0%	*8.0%*
"Cash Flow"	8.5%	9.5%	*9.0%*
Earnings	10.5%	11.5%	*9.5%*
Dividends	12.0%	12.5%	*9.5%*
Book Value	14.0%	21.0%	*13.5%*

Cal-endar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	3503	3745	3998	4081	15327
2010	3829	3814	3943	3978	15564
2011	3994	4185	4383	4172	16734
2012	*4170*	*4280*	*4470*	*4380*	*17300*
2013	*4360*	*4485*	*4680*	*4575*	*18100*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.97	1.07	1.12	1.21	4.37
2010	.69	1.17	1.21	1.24	4.31
2011	1.16	1.26	1.31	1.21	4.94
2012	*1.25*	*1.35*	*1.40*	*1.40*	*5.40*
2013	*1.38*	*1.48*	*1.54*	*1.55*	*5.95*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.36	.40	.40	.40	1.56
2009	.40	.44	.44	.44	1.72
2010	.44	.53	.53	.53	2.03
2011	.53	.58	.58	.58	2.27
2012	.58	.62			

BUSINESS: Colgate-Palmolive Company is the second-largest domestic maker of toiletries, and other household products. Major brands: *Ajax, Fab, Murphy, Javex, Palmolive* cleansers; *Colgate* toothpaste; *Irish Spring, Palmolive, Sanex, Softsoap* soaps; *Mennen* shave cream; *Hill's* pet food brands—Science Diet and Prescription Diet. Foreign operations: About 80% of 2011 sales. 2011 depreciation rate: 5.8%. Company has about 38,600 employees. ESOP controls 1.3% of common equivalent shares. State Street owns 7.9% of stock; BlackRock, 5.5% of stock; Officers & Directors 1.2%. (3/11 proxy). Chrmn, Pres., and CEO: Ian Cook. Inc. Delaware. Address: 300 Park Avenue, New York, New York 10022. Telephone: 212-310-2000. Internet: www.colgate.com.

Colgate's share earnings ought to reach $5.40 in 2012. We figure that corporate sales will rise more than 3%. This estimate includes volume, pricing, and currency translation losses. Colgate's gross margin is likely to increase around 1% with quarterly sequential improvement. Price increases tied to innovation, productivity gains, and cost savings (typically ranging from $300 million to $600 million annually) efforts should be sufficient to offset 2%-3% higher raw material costs and larger advertising expenses. Next year, we look for a combination of mid-single-digit revenue growth, operating margin expansion, and a lower share count to lift 2013 profits about 10%.

The company is the global oral care leader. Its worldwide toothpaste share is over 44%. Colgate's manual toothbrush market share is nearly 32% and widening the gap over its peers. Finally, the company has a low 20% market share in mouth rinses (internationally), and aims to expand its position in the third-largest oral care category.

Colgate's business is almost evenly split between developed and emerging markets (about 51% of sales). Moreover, the emerging markets are more profitable than developed regions, and their population is growing faster. Note that the company is well established in many of these countries, having been there for more than 50 years.

Colgate has a formula for raising prices. It creates innovative products where the consumer perceives value from the benefits they receive, and is willing to pay for that value.

Share repurchases and dividend increases are continuing. The company bought 20.4 million shares last year, and intends to buy a similar amount in 2012. (44.0 million shares remain authorized for repurchase.) Colgate recently raised its dividend by 7%, marking the 50th consecutive year of increases.

These shares are a good choice for long-term total return-oriented investors. That's based on the company's large share of the oral care market. Besides earnings growth, we expect shareholders to continue to be rewarded by dividend increases and share repurchases.

Jerome H. Kaplan *March 30, 2012*

(A) Basic through '96, dil. thereafter. Excludes nonrec. gains/(losses): '01, ($0.03); '09, (0.53); '10, (0.52). Includes '08, $0.21 restructuring charge. Next egs. rprt. due April 26th. **(B)** Dividends historically paid in mid-February, mid-May, mid-August, and mid-November. ■ Div'd reinvest. plan available. **(C)** Inc. intang.' 12/11: $3998.0 mill., $8.32/sh. **(D)** In mill., adjusted for stock split. **(E)** '97 through '01 sales restated due to change in acctg. procedure.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	55
Earnings Predictability	100

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