

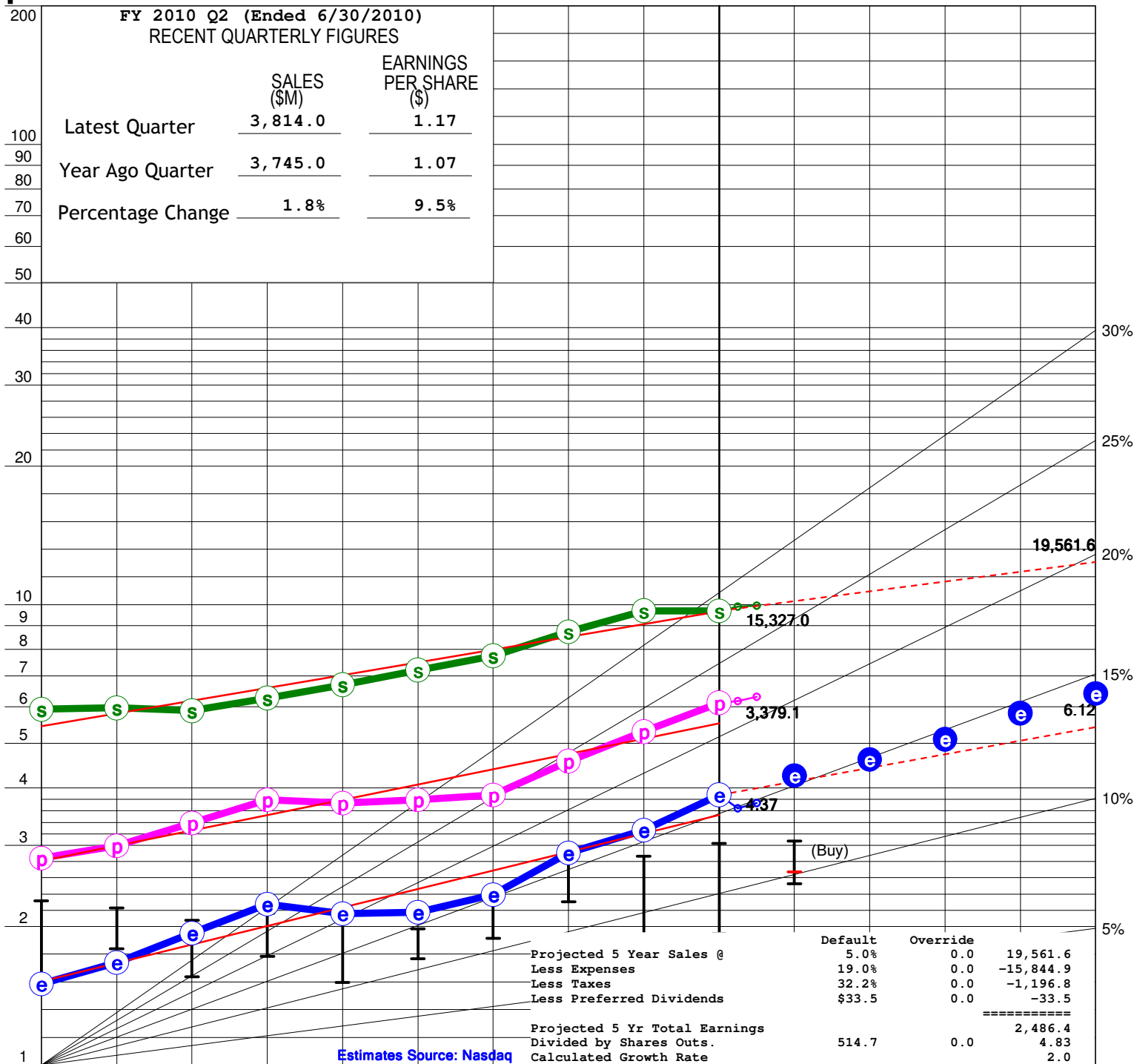


# Stock Study

Company	Colgate-Palmolive Com..	Price Date	09/03/10
Study by	Jo Murphy	Data Date	09/03/10
Sector	Consumer Goods	Data Source	StkCntrl
Industry	Personal Products	Reference	Morningstr
Preferred(\$M)	165.0		
Common(M Shares)	514.7	% Insiders	2.1
Debt(\$M)	3,339.0	% Institutions	80.1
% Debt to Tot.Cap.	50.8	Quality	A++ (ValueLine)

## 1 Growth Analysis

NYSE: CL



(1) Historical Sales Growth	6.6 %	(3) Historical Earnings Per Share Growth	9.7 %
(2) Estimated Future Sales Growth	5.0 %	(4) Estimated Future Earnings Per Share Growth	7.0 %
(5) Sales Growth R <sup>2</sup>	0.94	(6) Earnings Per Share Growth R <sup>2</sup>	0.93

## 2 QUALITY ANALYSIS

Company **Colgate-Palmolive Company** (CL)

09/03/10

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	5 YEAR AVG.	TREND UP / DOWN
<b>A</b> % Pre-tax Profit on Sales	16.6	17.5	19.9	21.0	19.3	18.2	17.4	18.3	19.1	22.0	19.0	UP
<b>B</b> % ROE (Beginning Yr)	<del>23.0</del>	95.8	237.7	5056.0	217.2	132.7	125.0	140.9	89.3	125.9	122.7	UP
<b>C</b> % Debt to Equity	205.3	503.0	1090.7	7417.9	296.5	247.3	213.0	144.5	193.2	90.2	177.7	DOWN

## 3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE 74.850 52-WEEK HIGH 87.390 52-WEEK LOW 70.620

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield	
1 2005	56.4	48.6	2.43	23.2	20.0	1.110	45.7	2.3	
2 2006	66.8	53.7	2.65	25.2	20.3	1.250	47.2	2.3	
3 2007	80.6	64.4	3.27	24.7	19.7	1.400	42.8	2.2	
4 2008	81.0	54.8	3.66	22.1	15.0	1.560	42.6	2.8	
5 2009	86.3	55.1	4.37	19.8	12.6	1.720	39.4	3.1	
6 AVERAGE		55.3		23.0	17.5		43.5		
AVERAGE P/E RATIO	20.3		PROJECTED P/E RATIO	16.7		TTM EPS	4.19		
CURRENT P/E RATIO	17.9		PEG RATIO	2.4		FTM EPS	4.48		
RELATIVE VALUE	88.0%		PROJ. RELATIVE VALUE	82.2%					

## 4 EVALUATING REWARD and RISK over the next 5 years

### A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E ~~23.0~~ 22.0 X Estimated High Earnings/Share 6.12 = Forecast High Price \$ 134.6

### B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E ~~17.5~~ 12.0 (as adj.) X Estimated Low Earnings/Share ~~4.37~~ 4.19 = \$ 50.3

(b) Average 5-Year Low Price = 55.3

(c) Recent Severe Low Price = 54.8

(d) Price Dividend Will Support = Present Divd. + High Yield = 2.120 + 0.031 = 67.9

Selected Estimated Low Price = \$ 59.9

### C PRICE RANGES

Forecast High Price 134.6 - Estimated Low Price 59.9 = Range 74.7 25% of Range = 18.7

BUY (Lower 25% of Range) = 59.9 to 78.6

MAYBE (Middle 50% of Range) = 78.6 to 115.9

SELL (Upper 25% of Range) = 115.9 to 134.6

Current Price 74.850 is in the Buy Range

### D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 134.6 - Current Price 74.850) + (Current Price 74.850 - Estimated Low Price 59.9) = 4.0 To 1

## 5 TOTAL RETURN ANALYSIS

### A CURRENT YIELD

Present Full Year's Dividend \$ 2.120 ÷ Current Price of Stock \$ 74.850 = 2.8 % Present Yield or % Returned on Purchase Price

### B AVERAGE YIELD OVER NEXT 5 YEARS

(Avg. EPS Next 5 Years 5.35 X Avg. % Payout 43.5) ÷ Current Price \$ 74.850 = 3.1 %

### C % COMPOUND ANNUAL TOTAL RETURN

Average Yield 2.0 % + Annual Appreciation 12.5 % = Compound Annual Total Return 14.4 %

### D % PROJECTED AVERAGE RETURN

Average Yield 2.6 % + Annual Appreciation 6.8 % = Projected Average Total Return 9.4 %