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Colgate-Palmolive Q1 2009 Earnings Call Transcript

Question-and-Answer Session

Operator

Absolutely. (Operator Instructions). We're going to Bill Pecoriello with Consumer Edge Research.

Bill Pecoriello - Consumer Edge Research

Good morning. Ian, my question is, if you could help us understand your organic sales growth remains quite robust and you're gaining market share in just about every country. All your market share gains accelerating, what are you seeing with the underlying categories, if you look at oral care versus personal care, pet household, is your pace of growth, the gap widening in terms of how faster are growing new categories?

Ian Cook

Well, it depends Bill. That's a very broad ranging question. I think if you sort of break it down into component element, first of all, we continued to see a growth in that categories around the world. Indeed, if you take the Hill's business, with it, limited distribution channels, the channels that we distribute to also continued to grow by which I mean, the PETCO is Petsmart, the neighborhood pet and the vet.

So yes, we're continuing to see growth very much along the lines that I talked about, with the fourth quarter call, with Europe being the weakest, North America stronger and then of course, the emerging market has stronger sales. We continued to see private label contained at the levels that I have talked about before.

We have categories, no categories immune to private label, ours certainly seemed to be resistant. And we are not seeing a growth in private label. And we continued to see a trade-off to premium offerings in our categories, even in the emerging market. So, all of that continues to move as it has done in the past as we strived to put the right value equation in front of the consumer which as I had said before, is not necessarily priced. And so, we are seeing growth in certain countries in market shares. We're certainly holding our market shares elsewhere as we take as you say, fairly significant pricing which on depends the strong organic growth.

Bill Pecoriello - Consumer Edge Research

And then just one follow-up on, is de-stocking impacting any of your categories in a notable way in the quarter?

Ian Cook

Although, it's an interesting question again Bill, when we think about inventory I guess we think about it three ways: Number one is the consumer's pantry, because everything starts with the consumer. And there I think as I have said before, we do in, particularly in the developed markets, but we do to see consumer work down of their pantry inventory before they come back to a category. So that's certainly a factor.

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