

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000.

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission File Number 1-644

COLGATE-PALMOLIVE COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE

13-1815595

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

300 PARK AVENUE, NEW YORK, NEW YORK

10022

(Address of principal executive offices)

(Zip Code)

(212) 310-2000

(Registrant's telephone number, including area code)

NO CHANGES

(Former name, former address, and former fiscal year, if changed since last report).

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of the latest practical date:

Class	Shares Outstanding	Date
Common, \$1.00 par value	572,236,615	October 31, 2000

PART I. FINANCIAL INFORMATION

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2000	1999	2000	1999
Net sales	\$2,366.5	\$2,314.0	\$6,945.0	\$6,774.3
Cost of sales	1,073.0	1,060.4	3,159.4	3,133.5
Gross profit	1,293.5	1,253.6	3,785.6	3,640.8
Selling, general and administrative expenses	851.9	852.0	2,501.4	2,484.5
Interest expense	54.8	54.3	155.1	162.8
Interest income	(6.5)	(10.5)	(21.5)	(28.9)
Income before income taxes	393.3	357.8	1,150.6	1,022.4
Provision for income taxes	118.0	118.1	373.5	345.7
Net income	\$ 275.3	\$ 239.7	\$ 777.1	\$ 676.7
Earnings per common share:				
Basic	\$.47	\$.40	\$ 1.32	\$ 1.13
Diluted	\$.44	\$.38	\$ 1.24	\$ 1.06
Dividends declared per common share	\$.16	\$.16	\$.47	\$.43

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

	ASSETS -----	September 30, 2000 -----	December 31, 1999 -----
Current assets:			
Cash and cash equivalents		\$ 210.9	\$ 199.6
Marketable securities		9.6	35.6
Receivables (net of allowances of \$39.0 and \$37.2)		1,191.6	1,100.8
Inventories		744.7	783.7
Other current assets		203.8	235.1
		-----	-----
		2,360.6	2,354.8
Property, plant and equipment, at cost		4,216.0	4,166.0
Less: Accumulated depreciation		1,715.7	1,614.9
		-----	-----
		2,500.3	2,551.1
Goodwill and other intangible assets (net of accumulated amortization of \$648.2 and \$578.9)		2,119.5	2,185.4
Other assets		256.7	331.8
		-----	-----
		\$ 7,237.1	\$ 7,423.1
		=====	=====

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2000	December 31, 1999
	-----	-----
Current liabilities:		
Notes and loans payable	\$ 115.9	\$ 207.3
Current portion of long-term debt	145.5	338.9
Accounts payable	680.4	764.8
Accrued income taxes	120.7	116.6
Other accruals	848.5	845.9
	-----	-----
	1,911.0	2,273.5
Long-term debt	2,681.3	2,243.3
Deferred income taxes	516.3	398.6
Other liabilities	553.7	674.0
Shareholders' equity:		
Preferred stock	356.1	366.5
Common stock	732.9	732.9
Additional paid-in capital	1,046.3	1,063.2
Retained earnings	4,706.1	4,212.3
Cumulative foreign currency translation adjustments	(1,216.7)	(1,136.2)
	-----	-----
	5,624.7	5,238.7
Unearned compensation	(342.6)	(348.6)
Treasury stock, at cost	(3,707.3)	(3,056.4)
	-----	-----
	1,574.8	1,833.7
	-----	-----
	\$ 7,237.1	\$ 7,423.1
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)
(Unaudited)

	Nine Months Ended	
	September 30,	
	2000	1999
	----	----
Operating Activities:		

Net income	\$ 777.1	\$ 676.7
Adjustments to reconcile net income to net cash provided by operations:		
Restructured operations	(6.1)	(22.5)
Depreciation and amortization	252.3	248.6
Income taxes and other, net	120.2	63.9
Cash effects of changes in:		
Receivables	(98.8)	(75.7)
Inventories	5.1	(85.0)
Payables and accruals	32.0	158.1
	-----	-----
Net cash provided by operating activities	1,081.8	964.1
Investing Activities:		

Capital expenditures	(236.7)	(225.1)
Payments for acquisitions, net of cash acquired	(49.5)	(44.1)
Proceeds from sale of non-core product lines	-	91.5
Proceeds from sale of marketable securities	22.9	1.5
Proceeds from sale of long-term investments	106.4	15.7
Other	(7.2)	(23.5)
	-----	-----
Net cash used for investing activities	(164.1)	(184.0)
Financing Activities:		

Principal payments on debt	(660.2)	(370.3)
Proceeds from issuance of debt	832.2	408.5
Payments to outside investors	(113.9)	-
Purchase of common stock	(704.0)	(466.8)
Dividends paid	(283.3)	(264.5)
Other	29.0	(4.4)
	-----	-----
Net cash used for financing activities	(900.2)	(697.5)
Effect of exchange rate changes on cash and cash equivalents	(6.2)	(1.8)
	-----	-----
Net increase in cash and cash equivalents	11.3	80.8
Cash and cash equivalents at beginning of period	199.6	181.7
	-----	-----
Cash and cash equivalents at end of period	\$ 210.9	\$ 262.5
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares in Millions Except Per Share Amounts)
(Unaudited)

1. The Condensed Consolidated Financial Statements reflect all normal recurring adjustments which, in management's opinion, are necessary for a fair presentation of the results for interim periods. Results of operations for the interim periods may not be representative of results to be expected for a full year.

2. Provision for certain expenses, including income taxes, media advertising, consumer promotion and new product introductory costs, are based on full year assumptions. Such expenses are charged to operations in the year incurred and are included in the accompanying condensed consolidated financial statements in proportion with the passage of time or with estimated annual tax rates or annual sales.

3. Inventories by major classes were as follows:

	September 30, 2000	December 31, 1999
Raw material and supplies	\$ 226.8	\$ 259.6
Work-in-process	36.1	33.2
Finished goods	481.8	490.9
	<u>\$ 744.7</u>	<u>\$ 783.7</u>

4. Earnings Per Share:

Three Months Ended

	September 30, 2000			September 30, 1999		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	\$275.3			\$239.7		
Preferred dividends	(5.2)			(5.3)		
Basic EPS	270.1	573.6	<u>\$.47</u>	234.4	582.8	<u>\$.40</u>
Stock options		8.9			11.9	
ESOP conversion	4.9	42.4		5.2	43.8	
Diluted EPS	<u>\$275.0</u>	<u>624.9</u>	<u>\$.44</u>	<u>\$239.6</u>	<u>638.5</u>	<u>\$.38</u>

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares in Millions Except Per Share Amounts)
(Unaudited)

	Nine Months Ended					
	September 30, 2000			September 30, 1999		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	\$777.1			\$676.7		
Preferred dividends	(15.6)			(15.7)		
Basic EPS	761.5	576.1	\$1.32	661.0	583.5	\$1.13
Stock options		10.0			12.3	
ESOP conversion	18.3	42.8		14.3	44.2	
Diluted EPS	\$779.8	628.9	\$1.24	\$675.3	640.0	\$1.06

5. Comprehensive income

Comprehensive income is comprised primarily of net earnings and currency translation gains and losses. Total comprehensive income for the three months and nine months ended September 30, 2000 and 1999 was as follows:

	Three months ended		Nine months ended	
	September 30, 2000	September 30, 1999	September 30, 2000	September 30, 1999
Net income	\$ 275.3	\$ 239.7	\$ 777.1	\$ 676.7
Foreign currency translation adjustment due to devaluation of Brazilian Real	(12.5)	(41.5)	(15.7)	(278.0)
Other foreign currency translation adjustments	(14.4)	(10.8)	(64.8)	(51.7)
Total comprehensive income	\$ 248.4	\$ 187.4	\$ 696.6	\$ 347.0

The charge to cumulative translation adjustment resulting from the devaluation of the Brazilian Real related to foreign currency denominated goodwill and property, plant and equipment and did not include economic losses on monetary assets.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

6. Segment Information -

	Three months ended September 30,		Nine months ended September 30,	
	2000	1999	2000	1999
Net Sales				
North America	\$ 597.5	\$ 538.1	\$ 1,712.8	\$ 1,606.3
Latin America	620.9	593.8	1,845.1	1,741.9
Europe	483.8	529.0	1,426.2	1,525.9
Asia/Africa	396.6	386.8	1,150.9	1,125.6
Total Oral, Personal and Household Care	2,098.8	2,047.7	6,135.0	5,999.7
Total Pet Nutrition	267.7	266.3	810.0	774.6
Net Sales	\$ 2,366.5	\$ 2,314.0	\$ 6,945.0	\$ 6,774.3
Earnings				
North America	\$ 125.1	\$ 100.9	\$ 366.7	\$ 317.0
Latin America	151.7	135.8	437.4	393.8
Europe	82.8	97.0	250.0	269.0
Asia/Africa	51.0	41.1	144.6	126.4
Total Oral, Personal and Household Care	410.6	374.8	1,198.7	1,106.2
Total Pet Nutrition	61.4	56.2	175.0	151.7
Corporate overhead and other	(30.4)	(29.4)	(89.5)	(101.6)
Earnings before interest and taxes	441.6	401.6	1,284.2	1,156.3
Interest expense, net	(48.3)	(43.8)	(133.6)	(133.9)
Income before income taxes	\$ 393.3	\$ 357.8	\$ 1,150.6	\$ 1,022.4

7. New accounting pronouncements

In July 2000, the Financial Accounting Standards Board's Emerging Issues Task Force (EITF) reached a consensus on Issue No. 00-14, "Accounting for Certain Sales Incentives". This issue addresses the recognition, measurement, and income statement classification for various types of sales incentives including discounts, coupons, rebates and free products. The Company will adopt this consensus in the fourth quarter of 2000. While the impact of this consensus on the Company's consolidated financial statements is still being evaluated, it is expected to only impact revenue and expense classifications and not change reported net income.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Per Share Amounts)
(Unaudited)

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), as amended by FAS 137 and FAS 138. FAS 133, as amended, is effective for the Company beginning January 1, 2001 and establishes accounting and reporting standards requiring that every derivative instrument be recorded in the balance sheet as either an asset or liability measured at its fair value. The statement requires that changes in the derivative's fair value be recognized currently in earnings or other comprehensive income depending on whether a derivative is designated as part of a hedge transaction. The Company believes that adoption of this statement, as amended, will not have a material impact on the Company's financial position, results of operations or cash flows.

8. Reference is made to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year 1999 for a complete set of financial notes including the Company's significant accounting policies.

COLGATE-PALMOLIVE COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

Results of Operations

Worldwide sales reached \$2,366.5 in the third quarter of 2000, a 2% increase over the 1999 third quarter, reflecting unit volume gains of 5% partially offset by a decline in foreign currencies. Sales would have risen 7%, excluding the effect of foreign currency declines. Sales in the Oral, Personal and Household Care segment were \$2,098.8, up 2% from 1999 on volume growth of 5%.

Colgate-North America sales were \$597.5 in the third quarter of 2000. Sales and volume grew 11% and 10%, respectively. Volume increases reflect the success of recently-introduced products including new Colgate Sparkling White toothpaste and the battery-powered Colgate Actibrush toothbrush in the Oral Care category. In the Personal Care category, the launch of Softsoap Fruit Essentials body wash & hand soap and Softsoap 2-in-1 with moisturizing lotion boosted sales and market shares as well.

Colgate-Latin America sales increased 5% to \$620.9 on volume gains of 2% led by strong volume growth in Mexico, Venezuela, Central America and the Dominican Republic. The continued success of products such as Colgate Fresh Confidence, Colgate Herbal and Colgate Triple Action toothpastes contributed to increased sales in the Oral Care category. Record market shares were achieved in underarm protection with Lady Speed Stick gel while the continued success of Palmolive Botanicals shampoo and soap strengthened market shares in the Personal Care category.

Colgate-Europe third quarter sales decreased 9% to \$483.8 as volume gains of 2% were negatively impacted by the weakened euro. Excluding the impact of foreign currency, sales would have risen 4% largely due to volume increases in Italy, Holland, United Kingdom, France and Poland. Oral Care market share growth within the region was generated by increased sales of the battery-powered Colgate Actibrush toothbrush and Colgate Fresh Confidence toothpaste. Other recently-introduced products were Ajax Shower Power cleaner, Palmolive Actif men's shower gel and Palmolive Spring Sensations dish liquid which all helped to increase sales across Europe.

Colgate-Asia/Africa third quarter sales increased 3% to \$396.6 as volume grew 9% with the strongest gains in China, Thailand, Vietnam and South Africa. The region experienced strong volume growth from products such as Colgate Herbal toothpaste, Palmolive Naturals shampoo and Lady Speed Stick deoderant. China continued to experience significant growth which included geographic expansion and a newly-formed joint venture with China's leading toothbrush company, Jiansu Sanxiao Group Co. Ltd.

Hill's Pet Nutrition segment sales increased 1% to \$267.7 on unit volume gains of 2%. Hill's experienced international volume growth particularly with the continued success of Science Diet Feline Hairball Control in Japan and the Perfect Shop/Perfect Clinic merchandising program in Europe. In the U.S., Hill's launched a number of new products including Science Diet Sensitive Skin and Science Diet Sensitive Stomach which are the first products of their kind to address these common problems.

For the nine months ended September 30, 2000, sales increased 3% to \$6,945.0 on 6% unit volume growth. Sales in the Oral, Personal and Household Care segment for the nine months ended September 30, 2000 were \$6,135.0, up 2% from the comparable period in 1999 on volume growth of 6%. Within this segment, Colgate-Latin America sales increased 6% on volume growth of 6%, Colgate-North America sales excluding divested businesses increased 8% on volume growth of 7%, Colgate-Europe sales decreased 7% on volume growth of 4% and Colgate-Asia/Africa sales increased 3% as unit volume increased 8%. Hill's sales and volume both increased 5%.

COLGATE-PALMOLIVE COMPANY
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

Worldwide gross profit margin for the third quarter of 2000 increased to 54.7% from 54.2% in 1999 as the Company continued to benefit from streamlining manufacturing costs, global sourcing and other cost reduction programs. Gross profit margin for the first nine months of 2000 increased to 54.5% from 53.7% in 1999.

Selling, general and administrative (SG&A) expenses as a percentage of sales decreased to 36.0% in the third quarter of 2000 from 36.8% in 1999, and decreased to 36.0% in the first nine months of 2000 from 36.7% for the comparable period in 1999 due to overhead and cost efficiency programs.

Earnings before interest and taxes (EBIT) increased 10% to \$441.6 in the 2000 third quarter, and reached a level of 18.7% of sales versus 17.4% in the third quarter of 1999. For the first nine months of 2000 EBIT increased 11% to \$1,284.2, a level of 18.5% of sales as compared to 17.1% in 1999.

Interest expense, net of interest income, increased to \$48.3 in the 2000 third quarter as compared with \$43.8 in 1999 due to increased debt levels. For the first nine months of 2000, interest expense was \$133.6 as compared with \$133.9 in 1999.

The effective tax rate for the third quarter of 2000 was 30.0% compared to 33.0% in the third quarter of 1999. The effective rate for the first nine months of 2000 was 32.5% versus 33.8% for the same period in 1999. The 32.5% rate reflects the Company's current estimate of its full year effective income tax rate which is slightly lower than the 1999 full year rate of 32.8%. The rate in both 2000 and 1999 benefited from global tax planning strategies, including the realization of tax credits.

Net income for the third quarter of 2000 increased 15% to \$275.3 or \$0.44 per share on a diluted basis compared with \$239.7 or \$0.38 per share in the prior year. For the first nine months of 2000, net income increased 15% to \$777.1 or \$1.24 per share on a diluted basis compared with \$676.7 or \$1.06 per share in the prior year.

Liquidity and Capital Resources

Net cash provided by operations increased 12.2% to \$1,081.8 in the first nine months of 2000 compared with \$964.1 in the comparable period of 1999. The improvement was generated by the increase in operating profit and working capital management. At September 30, 2000, \$793.2 of commercial paper was classified as long-term debt in accordance with the Company's intent and ability to refinance these obligations on a long-term basis.

During 1993, the Company participated in the formation of a financing subsidiary with outside investors. The Company consolidated this entity and reported the amounts invested by outside investors as a minority interest. During the third quarter, this subsidiary ceased operations resulting in a cash payment of \$113.9.

Reference should be made to the 1999 Annual Report on Form 10-K for additional information regarding liquidity and capital resources.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters refer to Item 3 on page 4 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1999 and Note 14 to the consolidated financial statements included therein on page 36.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 12 Ratio of Earnings to Fixed Charges.

Exhibit 27 Financial Data Schedule.

(b) Reports on Form 8-K.

None.

The exhibits indicated above which are not included with the Form 10-Q are available upon request and payment of a reasonable fee approximating the registrant's cost of providing and mailing the exhibits. Inquiries should be directed to:

Colgate-Palmolive Company
Office of the Secretary (10-Q Exhibits)
300 Park Avenue
New York, NY 10022-7499

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLGATE-PALMOLIVE COMPANY

(Registrant)

Principal Financial Officer:

November 9, 2000

/s/ Stephen C. Patrick

Stephen C. Patrick
Chief Financial Officer

Principal Accounting Officer:

November 9, 2000

/s/ Dennis J. Hickey

Dennis J. Hickey
Vice President and
Corporate Controller

COLGATE-PALMOLIVE COMPANY

 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

Dollars in Millions (Unaudited)

	Nine Months Ended September 30, 2000 -----
Income before income taxes	\$ 1,150.6
Add:	
Interest on indebtedness and amortization of debt expense and discount or premium	155.1
Portion of rents representative of interest factor	25.6
Interest on ESOP debt, net of dividends	2.0
Less:	
Income of less than fifty-percent-owned subsidiaries	(2.3)

Income as adjusted	\$ 1,331.0 =====
Fixed charges:	
Interest on indebtedness and amortization of debt expense and discount or premium	\$ 155.1
Portion of rents representative of interest factor	25.6
Interest on ESOP debt, net of dividends	2.0
Capitalized interest	4.2 -----
Total fixed charges	\$ 186.9 =====
Ratio of earnings to fixed charges	7.1 =====

In June 1989, the Company's leveraged employee stock ownership plan ("ESOP") issued \$410.0 of long-term notes due through 2009 bearing an average interest rate of 8.7%. These notes are guaranteed by the Company. Interest incurred on the ESOP's notes for the nine months ended was \$23.6. This interest is funded through preferred and common stock dividends. The fixed charges presented above include interest on ESOP indebtedness to the extent it is not funded through preferred and common stock dividends.

This schedule contains summary financial information extracted from the quarterly report on Form 10-Q for the nine months ended September 30, 2000 and is qualified in its entirety by reference to such financial statements.

1,000,000

9-MOS		
	DEC-31-2000	
	JAN-01-2000	
	SEP-30-2000	211
		10
		1,192
		39
		745
	2,361	4,216
	1,716	
	7,237	
1,911		2,681
0		356
		733
		486
7,237		6,945
	6,945	3,159
	2,501	
	0	
	0	
	134	
	1,151	
	374	
777		0
	0	
		0
	777	
	1.32	
	1.24	