

## Colgate 1st Quarter EPS Up 15% Unit Volume Up 6%

**New York, New York, April 20th, 1994 ...** - Colgate-Palmolive Company (NYSE symbol - CL) opened 1994 with a 6% worldwide unit volume increase, and record profits and earnings per share. EPS increased 15% to \$.98 versus \$.85 with an 8% reduction in average shares outstanding. Income increased 6% to \$149.6 million versus \$140.8 million, excluding last year's accounting change, on worldwide sales growth of 4% to \$1.8 billion. Total sales would have increased 7% excluding foreign currency declines, particularly in Europe.

Reuben Mark, Colgate Chairman and Chief Executive Officer, said: "Each of our geographic regions participated in the strong volume growth. We are particularly pleased that Colgate's North American unit volume grew 4% in a difficult competitive environment. Growth also continued at a strong pace in the developing world, with Asia/Africa and Latin America volume up 23% and 9%, respectively.

"Our increased profitability is enabling Colgate to invest in stimulating future volume growth. In the first quarter, earnings before interest and taxes increased to 14.2% of sales, up from 13.5%, even as we spent more on advertising and R&D. Gross profit margin again increased, from 47.9% of sales to 48.7% in the latest quarter. "By accelerating new product activity, increasing advertising, improving efficiency and extending our geographic reach, Colgate is aggressively building on the strengths that differentiate us in markets throughout the world."

### **Worldwide Oral, Personal and Household Care Segment**

Unit volume increased 7% for Colgate's worldwide consumer products segment. Sales rose 5% to \$1.6 billion and were up 8% excluding foreign currency declines, as Colgate addressed the specific opportunities and challenges of each of its geographic regions.

Colgate-Latin America's broad-based 9% volume growth was led by Mexico, Colombia, the Dominican Republic, Ecuador and Chile. Sales and profits rose significantly in Mexico, reflecting brisk demand for Colgate products. Throughout Latin America, Colgate is benefiting from a very strong on-the-ground presence, new product launches and regional expansion of the Mennen product line. Colgate continues to invest in these high-growth areas, most recently acquiring a local manufacturing company in Peru and establishing the Company's 19th full-scale subsidiary in Latin America.

The 23% volume increase for Colgate-Asia/Africa included 8% internally generated growth with outstanding performances in Malaysia, Hong Kong, China, and South Africa, as well as the mid-1993 consolidation of Colgate's Indian subsidiary. Successful new products in the region are Colgate Total toothpaste with advanced antibacterial technology, the Colgate Precision toothbrush, Protex soap, Palmolive Nourich premium shampoo and conditioner and Axion gel dish cleaner. Colgate continues to expand in China, having now introduced its products into five provinces.

In Colgate-Europe, volume increased 1% despite economic softness in major countries. Colgate-Europe further added to its competitive position with successful new products like Colgate Total, the new Colgate Precision and Zig Zag toothbrushes, Palmolive 2-in-1 bath foam and new household cleaners, as well as the acquisition of several local brands.

Colgate-North America's 4% volume growth primarily reflects new product activity. New entries including Irish Spring deodorant, Irish Spring liquid soap and Palmolive Ultra concentrated dishwashing powder added incremental volume and market share. Colgate's US value brands such as Ultra Brite toothpaste, instant shave Cream, and Ajax dishwashing liquid are also gaining competitive strength with price-conscious consumers. Despite the unit volume increase, sales declined modestly due to the competitive pricing environment in the US. First quarter market shares show an improving trend since year-end 1993 for several important categories. To sustain its competitive momentum, Colgate-US is continuing its new product activity throughout the remainder of 1994.

### **Specialty Marketing Segment**

Sales were \$206 million, essentially at last year's level. Hill's Pet Nutrition, comprising most of this segment, generated excellent demand and increased pet food volume 5% over the 1993 first quarter. To support ongoing growth, Hill's is expanding pet food manufacturing capacity. The non-core businesses in the Specialty Marketing segment, including Princess House tableware and veterinary drugs distributed by Hill's, had lower sales and unit volume in the 1994 first quarter.

Colgate-Palmolive is a leading global consumer products company, focusing on the core businesses of Oral Care, Personal Care, Household Surface Care, Fabric Care and Pet Dietary Care. Colgate markets its products in over 170 countries under such internationally recognized brand names as Colgate, Palmolive, Ajax, Mennen, Fab, Irish Spring and Softsoap, as well as Hill's Science Diet and Hill's Prescription Diet.

Colgate-Palmolive Company Summary of Consolidated Results  
Three Months Ended March 31, 1994 and 1993  
(Dollars in Millions Except Per Share Amounts) (Unaudited)



\* Includes a one-time charge of \$5.2 aftertax or \$.04 per share for the sale of a non-core business, Princess House.

\*\* Reflects a first quarter adjustment for changes in accounting for Other Postretirement Benefits, Postemployment Benefits and Income Taxes.