

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE
ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1997

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

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE (STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	13-1815595 (I.R.S. EMPLOYER IDENTIFICATION NO.)
300 PARK AVENUE, NEW YORK, NEW YORK (ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	10022 (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE 212-310-2000

SECURITIES REGISTERED PURSUANT TO SECTION 12 (B) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
\$4.25 PREFERRED STOCK, WITHOUT PAR VALUE, CUMULATIVE DIVIDEND	NEW YORK STOCK EXCHANGE
COMMON STOCK, \$1.00 PAR VALUE	NEW YORK STOCK EXCHANGE

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 by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

At February 28, 1998 the aggregate market value of stock held by non-affiliates was \$24.0 billion. There were 295,721,891 shares of Common Stock outstanding as of February 28, 1998.

DOCUMENTS INCORPORATED BY REFERENCE:

DOCUMENTS	FORM 10-K REFERENCE
Portions of Proxy Statement for the 1998 Annual Meeting	Part III, Items 10 through 13

PART I

ITEM 1. BUSINESS

(a) General Development of the Business

Colgate-Palmolive Company (the "Company") is a corporation which was organized under the laws of the State of Delaware in 1923. The Company manufactures and markets a wide variety of products throughout the world for use by consumers. For recent business developments, refer to the information set forth under the captions "Results of Operations" , "Liquidity and Capital Resources" and "Outlook" in Part II, Item 7 of this report.

(b) Financial Information About Industry Segments

For information about industry segments refer to the information set forth under the caption "Results of Operations" in Part II, Item 7 of this report.

(c) Narrative Description of the Business

For information regarding description of the business refer to Note 1 to the Consolidated Financial Statements included herein; "Average number of employees" appearing under "Historical Financial Summary" included herein; and "Research and development" expenses appearing in Note 10 to the Consolidated Financial Statements included herein.

Compliance with environmental rules and regulations has not significantly affected the Company's capital expenditures, earnings or competitive position. Capital expenditures for environmental control facilities totaled \$19.0 million in 1997 and are budgeted at \$17.5 million for 1998. For future years, expenditures are expected to be in the same range. The Company has programs that are designed to ensure that its operations and facilities meet or exceed applicable environmental rules and regulations.

(d) Financial Information About Foreign and Domestic Operations and Export Sales

For information concerning geographic area financial data refer to the information set forth under the caption "Results of Operations" in Part II, Item 7 of this report.

ITEM 2. PROPERTIES

The Company owns and leases a total of 346 manufacturing, distribution, research and office facilities worldwide. Corporate headquarters is housed in leased facilities at 300 Park Avenue, New York, New York.

In the United States, the Company operates 61 facilities, of which 30 are owned. Major U.S. manufacturing and warehousing facilities used by the Oral, Personal and Household Care segment are located in Kansas City, Kansas; Morristown, New Jersey; Jeffersonville, Indiana, and Cambridge, Ohio. The Company is transforming its former facilities in Jersey City, New Jersey into a mixed-use complex with the assistance of developers and other investors. The Pet Nutrition segment has major facilities in Bowling Green, Kentucky; Topeka, Kansas; and Richmond, Indiana. Research facilities are located throughout the world with the primary research center for Oral, Personal and Household Care products located in Piscataway, New Jersey.

Overseas, the Company operates 285 facilities, of which 109 are owned, in over 70 countries. Major overseas facilities used by the Oral, Personal and Household Care segment are located in Australia, Brazil, Canada, China, Colombia, France, Italy, Mexico, Thailand, the United Kingdom and elsewhere throughout the world. In some areas outside the United States, products are either manufactured by independent contractors under Company specifications or are imported from the United States or elsewhere.

All facilities operated by the Company are, in general, well maintained and adequate for the purpose for which they are intended. The Company conducts continuing reviews of its facilities with the view to modernization and cost reduction.

ITEM 3. LEGAL PROCEEDINGS

For information regarding legal matters refer to Note 17 of the Consolidated Financial Statements included herein.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of executive officers as of March 24, 1998:

NAME	AGE	DATE FIRST ELECTED OFFICER	PRESENT TITLE
Reuben Mark.....	59	1974	Chairman of the Board and Chief Executive Officer
William S. Shanahan.....	57	1983	President and Chief Operating Officer
Lois D. Juliber.....	49	1991	Executive Vice President Chief of Operations Developed Markets
David A. Metzler.....	55	1991	Executive Vice President Chief of Operations High Growth Markets
Stephen C. Patrick.....	48	1990	Chief Financial Officer
John T. Reid.....	58	1997	Chief Technological Officer
Andrew D. Hendry.....	50	1991	Senior Vice President General Counsel and Secretary
Robert J. Joy.....	51	1996	Vice President Global Human Resources
Dennis J. Hickey.....	49	1998	Vice President Corporate Controller
Ian M. Cook.....	45	1996	President Colgate-United States
Stephen A. Lister.....	56	1994	President Colgate-Asia Pacific
Michael J. Tangney.....	53	1993	President Colgate-Latin America
Javier G. Teruel.....	47	1996	President Colgate-Europe
Robert C. Wheeler.....	56	1991	Chief Executive Officer Hill's Pet Nutrition, Inc.
Steven R. Belasco.....	51	1991	Vice President Taxation and Real Estate
Brian J. Heidtke.....	57	1986	Vice President Finance and Corporate Treasurer
Peter D. McLeod.....	57	1984	Vice President Manufacturing Engineering Technology
John H. Tietjen.....	55	1995	Vice President Global Business Development
Michael S. Roskothen.....	61	1993	President Global Oral Care
Barrie M. Spelling.....	54	1994	President Global Business Development Personal Care

Each of the executive officers listed above has served the registrant or its subsidiaries in various executive capacities for the past five years.

The Company By-Laws, paragraph 38, states: The officers of the corporation shall hold office until their respective successors are chosen and qualified in their stead, or until they have resigned, retired or been removed in the manner hereinafter provided. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board of Directors.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON STOCK AND RELATED
SHAREHOLDER MATTERS

Refer to the information regarding the market for the Company's Common Stock and the quarterly market price information appearing under "Market and Dividend Information" in Note 15 to the Consolidated Financial Statements included herein; the information under "Capital Stock and Stock Compensation Plans" in Note 5 to the Consolidated Financial Statements included herein; and the "Number of shareholders of record" and "Cash dividends declared and paid per common share" under the caption "Historical Financial Summary" included herein.

ITEM 6. SELECTED FINANCIAL DATA

Refer to the information set forth under the caption "Historical Financial Summary" included herein.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND
RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

RESULTS OF OPERATIONS

	1997	1996	1995
	-----	-----	-----
WORLDWIDE NET SALES BY BUSINESS SEGMENT AND GEOGRAPHIC REGION			
Oral, Personal and Household Care			
North America.....	\$1,992.5	\$1,869.0	\$1,784.7
Latin America.....	2,363.8	2,124.8	1,977.2
Europe.....	2,036.9	2,148.5	2,159.7
Asia/Africa.....	1,698.2	1,738.0	1,644.1
	-----	-----	-----
Total Oral, Personal and Household Care.....	8,091.4	7,880.3	7,565.7
Total Pet Nutrition*.....	965.3	868.7	792.5
	-----	-----	-----
TOTAL NET SALES.....	\$9,056.7	\$8,749.0	\$8,358.2
	=====	=====	=====

* Sales outside North America represented approximately 30%, 29% and 29% of total sales of Pet Nutrition products in 1997, 1996 and 1995, respectively.

NET SALES

Worldwide net sales increased 4% to \$9,056.7 in 1997 on volume growth of 7%, reflecting volume increases in every geographic region. Sales would have grown 8%, excluding the negative effect of foreign exchange declines. Sales in the Oral, Personal and Household Care segment were up 3% on 7% volume growth.

In 1997, sales and unit volume each rose 7% in North America. U.S. sales led the region, with strong new products including the launch of Colgate Total, which is the first toothpaste approved by the Food and Drug Administration for its ability to help prevent gingivitis, plaque and cavities. Other new products, supported by increased advertising, which fueled growth in the region were Colgate tartar control whitening, Palmolive for pots & pans dishwashing liquid, Speed Stick Ultimate antiperspirant and Softsoap bodywash with vitamin E.

Sales in Latin America were up 11% on 10% volume growth. Widespread growth throughout the division included sizable gains in Mexico, Ecuador, Colombia and Central America. In Brazil, Sorriso brand toothpaste was launched and achieved full market distribution. As part of the regulatory approval of the Company's acquisition of Kolynos, Kolynos brand toothpaste has been withdrawn from the market for four years. Other new product introductions which have contributed to the growth in this region included Colgate Double Cool Stripe toothpaste, Protex Fresh soap and Lady Speed Stick Invisible Dry antiperspirant.

(Dollars in Millions Except Per Share Amounts)

Sales in Europe decreased 5% in 1997 due to the negative effects of weaker European currencies, while volume grew 5%. Germany, Italy, the United Kingdom and Poland achieved the strongest volume increases in the region. The ongoing success of new product launches such as Ajax Fetes des Fleurs, Colgate Sensation whitening, Ajax Expel cleaner with insect repellent and Palmolive antibacterial dishwashing liquid helped the region increase volume in this highly competitive market.

Overall, sales of the Asia/Africa region decreased 2%. Excluding divested businesses, sales were flat on 5% volume growth for the year 1997. China led the region in both strong sales and volume growth. Partially offsetting this growth was the negative impact of the weakening ASEAN currencies. Of the ASEAN countries undergoing economic problems, Colgate competes in Malaysia, the Philippines and Thailand. New product launches drove the volume growth in Asia/Africa.

Sales for Hill's Pet Nutrition increased 11% on 9% volume growth. Hill's enjoyed sales and volume growth in both the domestic and international markets. Growth was strongest in Japan, where Hill's has introduced 11 new products and begun successful television advertising, and Europe, where new manufacturing capacity is enabling Hill's to meet growing demand.

In 1996, worldwide net sales increased 5% to \$8,749.0, reflecting volume increases by all divisions. North America posted overall sales growth of 5% on the same percentage of volume growth. Europe sales decreased slightly in 1996 on 3% higher volume, due primarily to weaker currencies. Latin America led the Oral, Personal and Household Care segment with an 8% increase in sales on 7% volume growth. Asia/Africa sales increased 6% on 7% volume growth. The Pet Nutrition segment increased sales 10% on 6% volume gains. During 1996, Hill's completed its transition to a company-owned distribution and sales network.

GROSS PROFIT

Gross profit margin was 50.7%, above both the 1996 level of 49.1% and the 1995 level of 47.9%. All regions improved margins over 1996. The favorable trend reflects cost-reduction programs including supply chain management and the restructuring program, as well as emphasis on higher margin products.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses as a percentage of sales were 36% in 1997, 35% in 1996 and 34% in 1995. The increasing trend primarily represents additional advertising spending in every region. The Company continues to focus on expense-containment strategies.

PROVISION FOR RESTRUCTURED OPERATIONS

In September 1995, the Company announced a major worldwide restructuring of its manufacturing and administrative operations designed to further enhance profitable growth over the next several years by generating significant efficiencies and improving competitiveness. The charge included employee termination costs and expenses associated with the realignment of the Company's global manufacturing operations, as well as settlement of contractual obligations. The worldwide restructuring program resulted in a 1995 third quarter pretax charge of \$460.5 (\$369.2 net of tax) or \$1.27 per share for the year. The restructuring programs are expected to be substantially completed during 1998.

OTHER EXPENSE, NET

Other expense, net, consists principally of amortization of goodwill and other intangible assets, minority interest in earnings of less-than-100%-owned consolidated subsidiaries, earnings from equity investments and other miscellaneous gains and losses. Other expense, net, decreased in 1997 primarily due to gains from sales of non-core product lines and other assets, gains on derivative financial instruments and changes in the level of amortization.

(Dollars in Millions Except Per Share Amounts)

	1995			
	1997	1996	EXCLUDING RESTRUCTURING	AS REPORTED
WORLDWIDE EARNINGS BY BUSINESS SEGMENT AND GEOGRAPHIC REGION				
Oral, Personal and Household Care				
North America.....	\$ 269.7	\$ 214.1	\$ 178.3	\$ 24.5
Latin America.....	466.7	397.1	342.9	313.7
Europe.....	237.4	234.3	207.8	59.9
Asia/Africa.....	159.0	187.8	187.5	153.5
Total Oral, Personal and Household Care.....	1,132.8	1,033.3	916.5	551.6
Total Pet Nutrition.....	160.9	125.7	117.7	53.0
Total Segment Earnings.....	1,293.7	1,159.0	1,034.2	604.6
Unallocated Expense, Net.....	(7.9)	(7.0)	(4.8)	(35.7)
EARNINGS BEFORE INTEREST AND TAXES.....				
TAXES.....	1,285.8	1,152.0	1,029.4	568.9
Interest Expense, Net.....	(183.5)	(197.4)	(205.4)	(205.4)
INCOME BEFORE INCOME TAXES...	\$1,102.3	\$ 954.6	\$ 824.0	\$ 363.5

EARNINGS BEFORE INTEREST AND TAXES (EBIT)

EBIT increased 12% in 1997 to \$1,285.8 compared with \$1,152.0 in 1996. EBIT for the Oral, Personal and Household Care segment was up 10% with North America, Latin America and Europe posting gains of 26%, 18% and 1%, respectively. Results in Asia/Africa decreased by 15% due to the economic weakening in the ASEAN countries, difficult economic conditions in Africa and continued investment in China. The Pet Nutrition segment EBIT increased 28%.

INTEREST EXPENSE, NET

Interest expense, net, was \$183.5 compared with \$197.4 in 1996 and \$205.4 in 1995. The decline in interest expense is the result of decreasing debt levels. In 1995, substantial debt was incurred to finance the Kolynos acquisition. Free cash flow has been used to reduce the Company's debt in 1996 and 1997.

INCOME TAXES

The effective tax rate on income was 32.8% in 1997 versus 33.5% in 1996 and 52.7% in 1995. The overall effective rate in 1995 was impacted by the charge for restructuring, the tax benefit of which was 20% due to the effect of tax benefits in certain jurisdictions not expected to be realized. Excluding the charge, the effective income tax rate was 34.3% in 1995. Global tax planning strategies benefited the effective tax rate in all three years presented.

NET INCOME

Net income was \$740.4 in 1997 or \$2.44 per share compared with \$635.0 in 1996 or \$2.09 per share and \$172.0 in 1995 or \$.52 per share. Excluding the restructuring charge in 1995, earnings were \$541.2 or \$1.79 per share. In 1997, there was a two-for-one stock split. All financial information contained herein has been adjusted to reflect this split.

(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995
	-----	-----	-----
IDENTIFIABLE ASSETS			
Oral, Personal and Household Care			
North America.....	\$2,553.2	\$2,531.4	\$2,497.7
Latin America.....	2,204.8	2,365.1	2,158.3
Europe.....	1,124.8	1,192.1	1,271.0
Asia/Africa.....	968.6	1,045.7	967.2
	-----	-----	-----
Total Oral, Personal and Household Care.....	6,851.4	7,134.3	6,894.2
Total Pet Nutrition.....	517.3	578.6	545.5
Total Corporate.....	170.0	188.6	202.6
	-----	-----	-----
TOTAL IDENTIFIABLE ASSETS.....	\$7,538.7	\$7,901.5	\$7,642.3
	=====	=====	=====

LIQUIDITY AND CAPITAL RESOURCES

Net cash provided by operations increased 20% to \$1,097.8 compared with \$917.4 in 1996 and \$810.2 in 1995. The increasing trend reflects the Company's improved profitability, lower cash taxes and working capital management. Cash generated from operations was used to fund capital spending, reduce debt levels and increase dividends.

During 1997, long-term debt decreased from \$2,897.2 to \$2,518.6, while total debt decreased from \$3,069.5 to \$2,677.1. The decrease resulted primarily from repayment of a \$406.0 loan with a foreign commercial bank and net commercial paper reductions from free cash flow.

As of December 31, 1997, \$607.5 of domestic and foreign commercial paper was outstanding. These borrowings carry a Standard & Poor's rating of A1 and a Moody's rating of P1. The commercial paper as well as other short-term borrowings are classified as long-term debt at December 31, 1997, as it is the Company's intent and ability to refinance such obligations on a long-term basis. The Company has additional sources of liquidity available in the form of lines of credit maintained with various banks. At December 31, 1997, such unused lines of credit amounted to \$1,586.4. In addition, at December 31, 1997, the Company had \$697.8 available under previously filed shelf registrations.

In 1996, the Company entered into a \$496.3 loan agreement and obtained a \$406.0 term loan with foreign commercial banks. In addition, the Company issued \$100.0 of notes in a private placement and issued \$75.0 of medium-term notes under previously filed shelf registrations.

During 1995, the Company issued \$89.2 of Swiss franc bonds and \$71.7 of Luxembourg franc bonds, both of which were immediately swapped into U.S. dollar floating rate debt. In addition, \$220.0 of medium-term notes were issued under the shelf registration filed in May 1994. Also in 1995, the Company obtained a \$75.0 term note and filed a shelf registration for \$700.0 of debt securities.

The ratio of net debt to total capitalization (defined as the ratio of the book values of debt less cash and marketable securities ["net debt"] to net debt plus equity) decreased to 53% during 1997 from 58% in 1996 and 64% in 1995. The decrease in 1997 was primarily the result of higher earnings and related operating cash flow available to reduce debt levels.

(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995
	-----	-----	-----
CAPITAL EXPENDITURES			
Oral, Personal and Household Care.....	\$448.7	\$413.6	\$354.9
Pet Nutrition.....	29.8	45.4	76.9
	-----	-----	-----
Total Capital Expenditures.....	\$478.5	\$459.0	\$431.8
	=====	=====	=====
DEPRECIATION AND AMORTIZATION			
Oral, Personal and Household Care.....	\$287.8	\$286.2	\$273.8
Pet Nutrition.....	32.1	30.1	26.5
	-----	-----	-----
TOTAL DEPRECIATION AND AMORTIZATION.....	\$319.9	\$316.3	\$300.3
	=====	=====	=====

Capital expenditures were 5% of net sales for all three years presented. Capital spending continues to be focused primarily on projects that yield high aftertax returns, thereby reducing the Company's cost structure. Capital expenditures for 1998 are expected to continue at the current rate of approximately 5% of net sales.

Other investing activities in 1997, 1996 and 1995 included strategic acquisitions and divestitures around the world. The most significant acquisition was the 1995 purchase of Kolynos in Latin America. The aggregate purchase price of all 1997, 1996 and 1995 acquisitions was \$20.3, \$38.5 and \$1,321.9, respectively. The Sterno fuel product line was sold in 1997. The aggregate sale price of all 1997, 1996 and 1995 sales of businesses or product lines was \$101.4, \$25.1 and \$2.0, respectively.

The Company repurchases common shares in the open market and private transactions to provide for employee benefit plans and to maintain its targeted capital structure. Aggregate repurchases for 1997 were 2.8 million shares, with a total purchase price of \$175.1.

Dividend payments were \$333.4, up from \$296.2 in 1996 and \$276.5 in 1995. Common stock dividend payments increased to \$1.06 per share in 1997 from \$.94 per share in 1996 and \$.88 in 1995. The Series B Preference Stock dividends were declared and paid at the stated rate of \$4.88 per share in all three years.

Internally generated cash flows appear to be adequate to support currently planned business operations, acquisitions and capital expenditures. Significant acquisitions, similar to the acquisition of Kolynos discussed previously, would require external financing.

The Company is a party to various superfund and other environmental matters and is contingently liable with respect to lawsuits, taxes and other matters arising out of the normal course of business. Management proactively reviews and manages its exposure to, and the impact of, environmental matters. While it is possible that the Company's cash flows and results of operations in particular quarterly or annual periods could be affected by the one-time impacts of the resolution of such contingencies, it is the opinion of management that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material impact on the Company's financial condition or ongoing cash flows and results of operations.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company is exposed to market risk from interest rates and foreign currency exchange rate fluctuations. The Company utilizes simple instruments, such as non-leveraged interest rate swaps and forward foreign currency exchange contracts, to manage these exposures. The principal objective of such financial derivative contracts is to moderate the effect of fluctuations in interest rates and foreign exchange rates. The Company, as a matter of policy, does not speculate in financial markets and therefore does not hold these contracts for trading purposes.

(Dollars in Millions Except Per Share Amounts)

Interest rate swap contracts are used to manage the Company's mix of fixed and floating rate debt. The Company's target floating rate obligations as a percentage of the Company's global debt is set by policy. The Company utilizes foreign exchange contracts principally to hedge European and ASEAN currency exposures associated with its net investment in subsidiaries, inventory purchases and debt.

VALUE AT RISK

The Company's risk management procedures include the monitoring of interest rate and foreign exchange exposures and the Company's offsetting hedge positions utilizing analytical analysis of cashflows, market value, sensitivity analysis and value-at-risk estimations. However, the use of these techniques to quantify the market risk of such instruments should not be construed as an endorsement of their accuracy or the accuracy of the related assumptions. The Company utilizes a Value-at-Risk (VAR) model and an Earnings-at-Risk (EAR) model that are intended to measure the maximum potential loss in its interest rate and foreign exchange financial instruments assuming adverse market conditions occur, given a 95% confidence level. The models utilize a variance/covariance modeling technique. Historical interest rates and foreign exchange rates from the preceding year are used to estimate the volatility and correlation of future rates. The estimated maximum potential one-day loss in fair value of interest rate or foreign exchange rate instruments, calculated using the VAR model, is not material to the consolidated financial position, results of operations or cash flows of the Company. The estimated maximum yearly loss in earnings due to interest rate or foreign exchange rate instruments, calculated utilizing the EAR model, is not material to the Company's results of operations. Actual results in the future may differ materially from these projected results due to actual developments in the global financial markets.

A discussion of the Company's accounting policies for financial instruments is included in the Summary of Significant Accounting Policies in the notes to the Consolidated Financial Statements, and further disclosure relating to financial instruments is included in the Fair Value of Financial Instruments note.

OUTLOOK

Looking forward into 1998, the Company is well positioned for strong growth in most of its markets, particularly Latin America and North America. However, movements in foreign currency exchange rates can impact future operating results as measured in U.S. dollars. In particular, economic turmoil in the ASEAN countries may continue to impact overall results of Asia/Africa, and projected growth may be tempered until these economies become more stable. Of the ASEAN countries undergoing economic problems, Colgate competes in Malaysia, the Philippines and Thailand, which represent less than 4% of total Company sales and earnings. At this time, management does not anticipate that this ASEAN economic crisis will meaningfully extend to other parts of the world. If conditions were to significantly deteriorate, however, such an event could impact the Company.

Competitive pressures in Western European markets are expected to persist as business in this region will continue to be affected by slow economic growth, high unemployment and retail trade consolidation. In Latin America, the Company will continue to account for the Brazilian operations as highly inflationary and assess the status throughout the year. Ceasing to treat Brazil as highly inflationary would not be expected to be material to the financial statements.

The Company has developed preliminary plans to address the possible exposures related to the impact of the year 2000 on the Company's computers, as well as the computers of its suppliers and customers. Given that the SAP computer system is compliant with year 2000, and most Colgate regions will be using SAP by the year 2000, the financial impact of making required changes to non-SAP Colgate systems is not expected to be material.

(Dollars in Millions Except Per Share Amounts)

The Company expects the continued success of Colgate Total, using patented proprietary technology, to bolster worldwide oral care leadership and expects new products in all other categories to add potential for further growth. Overall, subject to global economic conditions, the Company does not expect the 1998 market conditions to be materially different from those experienced in 1997 and the Company expects its positive momentum to continue. Historically, the consumer products industry has been less susceptible to changes in economic growth than many other industries, and therefore the Company constantly evaluates projects that will focus operations on opportunities for enhanced growth potential. Over the long term, Colgate's continued focus on its consumer products business and the strength of its global brand names, its broad international presence in both developed and developing markets, and its strong capital base all position the Company to take advantage of growth opportunities and to continue to increase profitability and shareholder value.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the "Index to Financial Statements" which is located on page 15 of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding directors and executive officers of the registrant set forth in the Proxy Statement for the 1998 Annual Meeting is incorporated herein by reference, as is the text in Part I of this report under the caption "Executive Officers of the Registrant".

ITEM 11. EXECUTIVE COMPENSATION

The information set forth in the Proxy Statement for the 1998 Annual Meeting is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) Security ownership of management set forth in the Proxy Statement for the 1998 Annual Meeting is incorporated herein by reference.

(b) There are no arrangements known to the registrant that may at a subsequent date result in a change in control of the registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth in the Proxy Statement for the 1998 Annual Meeting is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) Financial Statements and Financial Statement Schedules

See the "Index to Financial Statements" which is located on page 15 of this report.

(b) Exhibits. See the exhibit index included herein.

(c) Reports on Form 8-K. None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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)

Date March 24, 1998

By _____
/s/ Reuben Mark
Reuben Mark
Chairman of the Board
and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

(a) Principal Executive Officer

(c) Principal Accounting Officer

/s/ Reuben Mark

/s/ Dennis J. Hickey

Reuben Mark
Chairman of the Board
and Chief Executive Officer

Dennis J. Hickey
Vice President and
Corporate Controller

Date March 24, 1998

Date March 24, 1998

(b) Principal Financial Officer

(d) Directors:

/s/ Stephen C. Patrick

Jill K. Conway, Ronald E. Ferguson, Ellen M. Hancock, David W. Johnson, John P. Kendall, Richard J. Kogan, Delano E. Lewis, Reuben Mark, Howard B. Wentz, Jr.

Stephen C. Patrick
Chief Financial Officer

Date March 24, 1998

/s/ Andrew D. Hendry

Andrew D. Hendry
as Attorney-in-Fact

Date March 24, 1998

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1997

COLGATE-PALMOLIVE COMPANY

NEW YORK, NEW YORK 10022

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All other financial statements and schedules not listed have been omitted since the required information is included in the financial statements or the notes thereto or is not applicable or required.

COLGATE-PALMOLIVE COMPANY

CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995
	-----	-----	-----
Net sales.....	\$9,056.7	\$8,749.0	\$8,358.2
Cost of sales.....	4,461.5	4,451.1	4,353.1
	-----	-----	-----
Gross profit.....	4,595.2	4,297.9	4,005.1
Selling, general and administrative expenses.....	3,237.0	3,052.1	2,879.6
Provision for restructured operations.....	--	--	460.5
Other expense, net.....	72.4	93.8	96.1
Interest expense, net.....	183.5	197.4	205.4
	-----	-----	-----
Income before income taxes.....	1,102.3	954.6	363.5
Provision for income taxes.....	361.9	319.6	191.5
	-----	-----	-----
Net income.....	\$ 740.4	\$ 635.0	\$ 172.0
	=====	=====	=====
Earnings per common share, basic.....	\$ 2.44	\$ 2.09	\$.52
	=====	=====	=====
Earnings per common share, diluted.....	\$ 2.27	\$ 1.96	\$.51
	=====	=====	=====

See Notes to Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONSOLIDATED BALANCE SHEETS

(Dollars in Millions Except Per Share Amounts)

	1997	1996
	-----	-----
ASSETS		
Current Assets		
Cash and cash equivalents.....	\$ 183.1	\$ 248.2
Marketable securities.....	22.2	59.6
Receivables (less allowances of \$35.8 and \$33.8, respectively).....	1,037.4	1,064.4
Inventories.....	728.4	770.7
Other current assets.....	225.4	229.4
	-----	-----
Total current assets.....	2,196.5	2,372.3
Property, plant and equipment, net.....	2,441.0	2,428.9
Goodwill and other intangibles, net.....	2,585.3	2,720.4
Other assets.....	315.9	379.9
	-----	-----
	\$7,538.7	\$7,901.5
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Notes and loans payable.....	\$ 158.4	\$ 172.3
Current portion of long-term debt.....	178.3	110.4
Accounts payable.....	716.9	751.7
Accrued income taxes.....	67.0	93.1
Other accruals.....	838.9	776.8
	-----	-----
Total current liabilities.....	1,959.5	1,904.3
Long-term debt.....	2,340.3	2,786.8
Deferred income taxes.....	284.5	234.3
Other liabilities.....	775.8	942.0
Shareholders' Equity		
Preferred stock.....	385.3	392.7
Common stock, \$1 par value (1,000,000,000 shares authorized, 366,426,590 shares issued)	366.4	366.4
Additional paid-in capital.....	1,027.4	918.4
Retained earnings.....	3,138.0	2,731.0
Cumulative translation adjustments.....	(693.7)	(534.7)
	-----	-----
	4,223.4	3,873.8
Unearned compensation.....	(364.5)	(370.9)
Treasury stock, at cost.....	(1,680.3)	(1,468.8)
	-----	-----
Total shareholders' equity.....	2,178.6	2,034.1
	-----	-----
	\$7,538.7	\$7,901.5
	=====	=====

See Notes to Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995
Balance, January 1.....	\$2,731.0	\$2,392.2	\$2,496.7
Add:			
Net income.....	740.4	635.0	172.0
	3,471.4	3,027.2	2,668.7
Deduct:			
Dividends declared:			
Series B Convertible Preference Stock, net of			
income taxes.....	20.6	20.9	21.1
Preferred stock.....	.5	.5	.5
Common stock.....	312.3	274.8	254.9
	333.4	296.2	276.5
Balance, December 31.....	\$3,138.0	\$2,731.0	\$2,392.2

CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL ACCOUNTS

(Dollars in Millions Except Per Share Amounts)

	COMMON STOCK		ADDITIONAL PAID-IN CAPITAL	TREASURY STOCK	
	SHARES	AMOUNT		SHARES	AMOUNT
Balance, January 1, 1995..	288,808,474	\$366.4	\$ 837.2	77,618,116	\$1,462.4
Shares issued for stock					
options, net.....	2,309,312	--	13.7	(2,309,312)	(16.8)
Treasury stock acquired...	(37,600)	--	--	37,600	1.2
Other.....	627,558	--	(.4)	(627,558)	(5.0)
Balance, December 31,					
1995.....	291,707,744	366.4	850.5	74,718,846	1,441.8
Shares issued for stock					
options, net.....	2,206,216	--	44.4	(2,206,216)	22.0
Treasury stock acquired...	(688,800)	--	--	688,800	27.4
Other.....	1,042,476	--	23.5	(1,042,476)	(22.4)
Balance, December 31,					
1996.....	294,267,636	366.4	918.4	72,158,954	1,468.8
Shares issued for stock					
options, net.....	3,163,141	--	64.2	(3,163,141)	54.4
Treasury stock acquired...	(2,795,926)	--	--	2,795,926	175.1
Other.....	767,844	--	44.8	(767,844)	(18.0)
Balance, December 31,					
1997.....	295,402,695	\$366.4	\$1,027.4	71,023,895	\$1,680.3

See Notes to Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995
	-----	-----	-----
OPERATING ACTIVITIES			
Net income.....	\$ 740.4	\$ 635.0	\$ 172.0
Adjustments to reconcile net income to net cash provided by operations:			
Restructured operations, net.....	(48.5)	(105.6)	424.9
Depreciation and amortization.....	319.9	316.3	300.3
Income taxes and other, net.....	18.5	13.2	(121.0)
Cash effects of changes in:			
Receivables.....	(61.6)	(15.4)	(44.1)
Inventories.....	(50.9)	(1.2)	(26.1)
Other current assets.....	--	--	(42.4)
Payables and accruals.....	180.0	75.1	146.6
	-----	-----	-----
Net cash provided by operations.....	1,097.8	917.4	810.2
	-----	-----	-----
INVESTING ACTIVITIES			
Capital expenditures.....	(478.5)	(459.0)	(431.8)
Payment for acquisitions, net of cash acquired.....	(31.5)	(59.3)	(1,300.4)
Sale of non-core product lines.....	96.4	25.1	2.0
Sale of marketable securities and investments.....	68.5	1.2	4.2
Other, net.....	7.7	(12.0)	(17.2)
	-----	-----	-----
Net cash used for investing activities.....	(337.4)	(504.0)	(1,743.2)
	-----	-----	-----
FINANCING ACTIVITIES			
Principal payments on debt.....	(670.7)	(1,164.6)	(17.1)
Proceeds from issuance of debt, net.....	350.4	1,077.4	1,220.0
Dividends paid.....	(333.4)	(296.2)	(276.5)
Purchase of common stock.....	(175.1)	(27.4)	(1.2)
Proceeds from exercise of stock options and other, net.....	15.8	39.2	51.0
	-----	-----	-----
Net cash (used for) provided by financing activities.....	(813.0)	(371.6)	976.2
	-----	-----	-----
Effect of exchange rate changes on cash and cash equivalents.....	(12.5)	(2.4)	(4.3)
	-----	-----	-----
Net (decrease) increase in cash and cash equivalents.....	(65.1)	39.4	38.9
	-----	-----	-----
Cash and cash equivalents at beginning of year.....	248.2	208.8	169.9
	-----	-----	-----
Cash and cash equivalents at end of year.....	\$ 183.1	\$ 248.2	\$ 208.8
	=====	=====	=====
SUPPLEMENTAL CASH FLOW INFORMATION			
Income taxes paid.....	\$ 261.3	\$ 273.0	\$ 292.5
Interest paid.....	230.6	229.1	228.6
Non-cash consideration in payment for acquisitions.....	--	--	48.9
Principal payments on ESOP debt, guaranteed by the Company.....	5.5	5.0	4.4

See Notes to Consolidated Financial Statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Per Share Amounts)

1. NATURE OF OPERATIONS

The Company manufactures and markets a wide variety of products in the U.S. and around the world in two distinct business segments: Oral, Personal and Household Care, and Pet Nutrition. Oral, Personal and Household Care products include toothpastes, oral rinses and toothbrushes, bar and liquid soaps, shampoos, conditioners, deodorants and antiperspirants, baby and shave products, laundry and dishwashing detergents, fabric softeners, cleansers and cleaners, bleaches and other similar items. These products are sold primarily to wholesale and retail distributors worldwide. Pet Nutrition products include pet food products manufactured and marketed by Hill's Pet Nutrition. The principal customers for Pet Nutrition products are veterinarians and specialty pet retailers. Principal global trademarks include Colgate, Palmolive, Mennen, Protex, Ajax, Soupline/Suavitel, Fab, Science Diet and Prescription Diet in addition to various regional trademarks.

The Company's principal classes of products accounted for the following percentages of worldwide sales for the past three years:

	1997	1996	1995
	----	----	----
Oral Care.....	31%	30%	30%
Personal Care.....	23	22	22
Household Surface Care.....	16	16	16
Fabric Care.....	16	18	18
Pet Nutrition.....	11	10	9

Company products are marketed under highly competitive conditions. Products similar to those produced and sold by the Company are available from competitors in the U.S. and overseas. Product quality, brand recognition and acceptance, and marketing capability largely determine success in the Company's business segments. The financial and descriptive information on the Company's geographic area and industry segment data, appearing in the tables contained in Management's Discussion, is an integral part of these financial statements. More than 60% of the Company's net sales, operating profit and identifiable assets are attributable to overseas operations. Transfers between geographic areas are not significant.

The Company's products are generally marketed by a sales force employed by each individual subsidiary or business unit. In some instances, distributors and brokers are used. Most raw materials are purchased from others, are available from several sources and are generally available in adequate supply. Products and commodities such as tallow and essential oils are subject to wide price variations. No one of the Company's raw materials represents a significant portion of total material requirements.

Trademarks are considered to be of material importance to the Company's business; consequently, the practice is followed of seeking trademark protection by all available means. Although the Company owns a number of patents, no one patent is considered significant to the business taken as a whole.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements include the accounts of Colgate-Palmolive Company and its majority-owned subsidiaries. Intercompany transactions and balances have been eliminated. Investments in companies in which the Company's interest is between 20% and 50% are accounted for using the equity method. The Company's share of the net income from such investments is recorded as equity earnings and is classified as Other expense, net in the Consolidated Statements of Income.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

REVENUE RECOGNITION

Sales are recorded at the time products are shipped to trade customers. Net sales reflect units shipped at selling list prices reduced by promotion allowances.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent gains and losses at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ACCOUNTING CHANGES

In 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 128, "Earnings Per Share," which revises the manner in which earnings per share is calculated. The Company adopted this statement as of December 31, 1997 and all per share amounts included herein have been restated accordingly. The effect of the adoption was not material.

Additionally, in 1997, the FASB issued Statement No. 130, "Reporting Comprehensive Income," and Statement No. 131, "Disclosures about Segments of an Enterprise and Related Information." These statements, which are effective beginning in 1998, expand and modify disclosures and, accordingly, will have no impact on the Company's reported financial position, results of operations or cash flows.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Investments in short-term securities that do not meet the definition of cash equivalents are classified as marketable securities. Marketable securities are reported at cost, which approximates market.

INVENTORIES

Inventories are valued at the lower of cost or market. The first-in, first-out (FIFO) method is used to value most inventories. The remaining inventories are valued using the last-in, first-out (LIFO) method.

PROPERTY, PLANT AND EQUIPMENT

Land, buildings, and machinery and equipment are stated at cost. Depreciation is provided, primarily using the straight-line method, over estimated useful lives ranging from 3 to 40 years.

GOODWILL AND OTHER INTANGIBLES

Goodwill represents the excess of purchase price over the fair value of identifiable tangible and intangible net assets of businesses acquired. Goodwill and other intangibles are amortized on a straight-line basis over periods not exceeding 40 years. The recoverability of carrying values of intangible assets is evaluated on a recurring basis. The primary indicators of recoverability are current and forecasted profitability of a related acquired business. For the three-year period ended December 31, 1997, there were no material adjustments to the carrying values of intangible assets resulting from these evaluations.

INCOME TAXES

Deferred taxes are recognized for the expected future tax consequences of temporary differences between the amounts carried for financial reporting and tax purposes. Provision is made currently for taxes payable on

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

remittances of overseas earnings; no provision is made for taxes on overseas retained earnings that are deemed to be permanently reinvested.

TRANSLATION OF OVERSEAS CURRENCIES

The assets and liabilities of subsidiaries, other than those operating in highly inflationary environments, are translated into U.S. dollars at year-end exchange rates, with resulting translation gains and losses accumulated in a separate component of shareholders' equity. Income and expense items are converted into U.S. dollars at average rates of exchange prevailing during the year.

For subsidiaries operating in highly inflationary environments, inventories, goodwill and property, plant and equipment are translated at the rate of exchange on the date the assets were acquired, while other assets and liabilities are translated at year-end exchange rates. Translation adjustments for these operations are included in net income.

FINANCIAL INSTRUMENTS

The net effective cash payment of the interest rate swap contracts combined with the related interest payments on the debt that they hedge are accounted for as interest expense. Those interest rate instruments that do not qualify as hedge instruments for accounting purposes are marked to market and recorded at fair value.

Gains and losses from foreign exchange contracts that hedge the Company's investments in its foreign subsidiaries are shown in the cumulative translation adjustments account included in shareholders' equity. Gains and losses from contracts that hedge firm commitments are recorded in the balance sheets as a component of the related receivable or payable until realized, at which time they are recognized in the statements of income. The contracts that hedge anticipated sales and purchases do not qualify as hedges for accounting purposes. Accordingly, the related gains and losses are calculated using the current forward rates and are recorded in the Consolidated Statements of Income as Other expense, net.

GEOGRAPHIC AREAS AND INDUSTRY SEGMENTS

The financial and descriptive information on the Company's geographic area and industry segment data, appearing in the tables contained in management's discussion of this report, is an integral part of these financial statements.

RECLASSIFICATIONS

Certain prior year balances have been reclassified to conform with current year presentation.

3. ACQUISITIONS AND DIVESTITURES

The aggregate purchase price of all 1997, 1996 and 1995 acquisitions was \$20.3, \$38.5 and \$1,321.9. The most significant purchase was the 1995 acquisition of the worldwide Kolynos oral care business ("Kolynos") for \$1,040.0. Kolynos is an oral care business operating primarily in South America. The transaction was structured as a multinational acquisition of assets and stock. The net book value of Kolynos assets was approximately \$50.0.

All of these acquisitions have been accounted for as purchases, and, accordingly, the purchase prices were allocated to the net tangible and intangible assets acquired based on estimated fair values at the dates of the respective acquisitions. The results of operations have been included in the Consolidated Financial Statements since the respective acquisition dates. The inclusion of pro forma financial data for all acquisitions would not have materially affected the financial information included herein.

The aggregate sale price of all 1997, 1996 and 1995 divestitures was \$101.4, \$25.1 and \$2.0, respectively. In 1997, the Sterno fuel brand and related assets were sold for \$70.0.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

4. LONG-TERM DEBT AND CREDIT FACILITIES

Long-term debt consists of the following at December 31:

	WEIGHTED AVERAGE INTEREST RATE	MATURITIES	1997	1996
Notes.....	7.0%	1998-2030	\$1,186.6	\$1,292.9
Commercial paper and other short-term borrowings, reclassified.....	5.0	1998	607.5	375.1
ESOP notes, guaranteed by the Company.....	8.6	2001-2009	379.7	385.2
Payable to banks.....	5.5	2000-2003	339.2	836.0
Capitalized leases.....			5.6	8.0
			-----	-----
			2,518.6	2,897.2
Less: current portion of long-term debt.....			178.3	110.4
			-----	-----
			\$2,340.3	\$2,786.8
			=====	=====

Commercial paper and certain other short-term borrowings are classified as long-term debt as it is the Company's intent and ability to refinance such obligations on a long-term basis. Scheduled maturities of debt outstanding at December 31, 1997, excluding short-term borrowings reclassified, are as follows: 1998--\$178.3; 1999--\$198.6; 2000--\$456.8; 2001--\$99.5; 2002--\$162.9 and \$815.0 thereafter. The Company has entered into interest rate swap agreements and foreign exchange contracts related to certain of these debt instruments (see Note 12).

At December 31, 1997, the Company had unused credit facilities amounting to \$1,586.4. Commitment fees related to credit facilities are not material. The weighted average interest rate on short-term borrowings, excluding amounts reclassified, as of December 31, 1997 and 1996 was 8.5% and 7.5%, respectively.

The Company's long-term debt agreements include various restrictive covenants and require the maintenance of certain defined financial ratios with which the Company is in compliance.

5. CAPITAL STOCK AND STOCK COMPENSATION PLANS

PREFERRED STOCK

Preferred Stock consists of 250,000 authorized shares without par value. It is issuable in series, of which one series of 125,000 shares, designated \$4.25 Preferred Stock, with a stated and redeemable value of \$100 per share, has been issued and is outstanding. The \$4.25 Preferred Stock is redeemable only at the option of the Company.

PREFERENCE STOCK

In 1988, the Company authorized the issuance of 50,000,000 shares of Preference Stock, without par value. The Series B Convertible Preference Stock, which is convertible into four shares of common stock, ranks junior to all series of the Preferred Stock. At December 31, 1997 and 1996, 5,734,940 and 5,849,039 shares of Series B Convertible Preference Stock, respectively, were outstanding and issued to the Company's Employee Stock Ownership Plan.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

COMMON STOCK

On March 6, 1997, the Company's Board of Directors approved a two-for-one common stock split. As a result of the split, the shareholders received one additional share of common stock for each share they held as of April 25, 1997. Par value remained \$1. The Consolidated Financial Statements and financial information contained elsewhere in this report has been adjusted to reflect the effects of the impact of the common stock split for all periods presented. In conjunction with the split, on May 8, 1997, the shareholders approved an increase in authorized shares of common stock from 500,000,000 to 1,000,000,000.

SHAREHOLDER RIGHTS PLAN

Under the Company's Shareholder Rights Plan, each share of the Company's common stock carries with it one Preference Share Purchase Right ("Rights"). The Rights themselves will at no time have voting power or pay dividends. The Rights become exercisable only if a person or group acquires 20% or more of the Company's common stock or announces a tender offer, the consummation of which would result in ownership by a person or group of 20% or more of the common stock. When exercisable, each Right entitles a holder to buy one four-hundredth of a share of a new series of preference stock at an exercise price of \$43.75.

If the Company is acquired in a merger or other business combination, each Right will entitle a holder to buy, at the Right's then current exercise price, a number of the acquiring company's common shares having a market value of twice such price. In addition, if a person or group acquires 30% or more of the Company's common stock, other than pursuant to a cash tender offer for all shares in which such person or group increases its stake from below 20% to 80% or more of the outstanding shares, each Right will entitle its holder (other than such person or members of such group) to purchase, at the Right's then current exercise price, a number of shares of the Company's common stock having a market value of twice the Right's exercise price.

Further, at any time after a person or group acquires 30% or more (but less than 50%) of the Company's common stock, the Board of Directors may, at its option, exchange part or all of the Rights (other than Rights held by the acquiring person or group) for shares of the Company's common stock on a one-for-one basis.

The Company, at the option of its Board of Directors, may redeem the Rights for \$.005 at any time before the acquisition by a person or group of beneficial ownership of 20% or more of its common stock. The Board of Directors is also authorized to reduce the 20% and 30% thresholds to not less than 15%. Unless redeemed earlier, the Rights will expire on October 24, 1998.

INCENTIVE STOCK PLAN

The Company has a plan which provides for grants of restricted stock awards for officers and other executives of the Company and its major subsidiaries. A committee of non-employee members of the Board of Directors administers the plan. During 1997 and 1996, 335,270 and 252,458 shares, respectively, were awarded to employees in accordance with the provisions of the plan.

STOCK OPTION PLANS

The Company's Stock Option Plans ("Plans") provide for the issuance of non-qualified stock options to officers and key employees. Options are granted at prices not less than the fair market value on the date of grant. At 1997 year-end, 23,173,483 shares of common stock were available for future grants.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

The Plans contain an accelerated ownership feature which provides for the grant of new options when previously owned shares of Company stock are used to exercise existing options. The number of new options granted under this feature is equal to the number of shares of previously owned Company stock used to exercise the original options and to pay the related required U.S. income tax. The new options are granted at a price equal to the fair market value on the date of the new grant and have the same expiration date as the original options exercised.

Stock option plan activity is summarized below:

	1997		1996	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Options outstanding, January 1.....	21,415,198	\$32	20,991,790	\$29
Granted.....	7,703,057	73	5,709,222	41
Exercised.....	(6,095,277)	32	(5,114,564)	29
Canceled or expired.....	(255,586)	38	(171,250)	31
	-----		-----	
Options outstanding, December 31.....	22,767,392	46	21,415,198	32
	=====		=====	
Options exercisable, December 31.....	14,683,179	38	13,983,844	29
	=====		=====	

The following table summarizes information relating to currently outstanding and exercisable options as of December 31, 1997:

RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	OPTIONS OUTSTANDING	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE
\$11.11-					
\$28.13...	4	5,013,590	\$23	5,013,590	\$23
\$28.16-					
\$36.47...	6	5,235,508	33	4,307,208	32
\$36.56-					
\$49.89...	7	5,466,426	42	3,471,800	43
\$49.97-					
\$74.85...	8	4,907,318	65	855,014	61
\$75.00-					
\$106.04..	10	2,144,550	98	1,035,567	99
		-----		-----	
	7	22,767,392	46	14,683,179	38
		=====		=====	

The Company applies Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for options granted under the Plans. Accordingly, no compensation expense has been recognized. Had compensation expense been determined based on the Black-Scholes option pricing model value at the grant date for awards in 1997, 1996 and 1995 consistent with the provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123), the Company's net income, basic earnings per common share and diluted earnings per common share would have been \$716.1, \$2.35 per share and \$2.19 per share, respectively, in 1997; \$621.7, \$2.05 per share and \$1.92 per share, respectively, in 1996; and \$166.1, \$.50 per share and \$.49 per share, respectively, in 1995.

The weighted average Black-Scholes value of grants issued in 1997, 1996 and 1995 was \$7.85, \$5.40 and \$4.73, respectively. The Black-Scholes value of each option granted is estimated using the Black-Scholes option pricing model with the following assumptions: option term until exercise ranging from 2 to 7 years, volatility ranging from 17% to 26%, risk-free interest rate ranging from 5.8% to 6.4% and an expected dividend yield of

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

2.5%. The Black-Scholes model used to determine the option values shown above was developed to estimate the fair value of short-term freely tradable, fully transferable options without vesting restrictions and was not designed to value reloads, all of which significantly differ from the Company's stock option awards. The value of this model is also limited by the inclusion of highly subjective assumptions which greatly affect calculated values.

6. EMPLOYEE STOCK OWNERSHIP PLAN

In 1989, the Company expanded its Employee Stock Ownership Plan ("ESOP") through the introduction of a leveraged ESOP covering certain employees who have met certain eligibility requirements. The ESOP issued \$410.0 of long-term notes due through 2009 bearing an average interest rate of 8.6%. The long-term notes, which are guaranteed by the Company, are reflected in the accompanying Consolidated Balance Sheets. The ESOP used the proceeds of the notes to purchase 6.3 million shares of Series B Convertible Preference Stock from the Company. The Stock has a minimum redemption price of \$65 per share and pays semiannual dividends equal to the higher of \$2.44 or the current dividend paid on four common shares for the comparable six-month period.

Dividends on these preferred shares, as well as common shares also held by the ESOP, are paid to the ESOP trust and, together with contributions, are used by the ESOP to repay principal and interest on the outstanding notes. Preferred shares are released for allocation to participants based upon the ratio of the current year's debt service to the sum of total principal and interest payments over the life of the loan. At December 31, 1997, 1,412,570 shares were allocated to participant accounts. Each allocated share may be converted by the trustee into four common shares, but preferred shares generally only convert after the employee ceases to work for the Company.

Dividends on these preferred shares are deductible for income tax purposes and, accordingly, are reflected net of their tax benefit in the Consolidated Statements of Retained Earnings.

Annual expense related to the leveraged ESOP, determined as interest incurred on the notes, less employee contributions and dividends received on the shares held by the ESOP, plus the higher of either principal repayments on the notes or the cost of shares allocated, was \$3.0 in 1997, \$3.9 in 1996 and \$8.3 in 1995. Similarly, unearned compensation, shown as a reduction in shareholders' equity, is reduced by the higher of principal payments or the cost of shares allocated.

Interest incurred on the ESOP's notes amounted to \$33.0 in 1997, \$33.5 in 1996 and \$33.9 in 1995. The Company paid dividends on the stock held by the ESOP of \$29.8 in 1997, \$31.1 in 1996 and \$31.7 in 1995. Company contributions to the ESOP were \$1.0 in 1997, \$4.1 in 1996 and \$6.4 in 1995. Employee contributions to the ESOP were \$8.2 in 1997, \$5.9 in 1996 and \$0 in 1995.

7. RETIREMENT PLANS AND OTHER POSTRETIREMENT BENEFITS

RETIREMENT PLANS

The Company, its U.S. subsidiaries and a majority of its overseas subsidiaries maintain pension plans covering substantially all of their employees. Most plans provide pension benefits that are based primarily on years of service and employees' career earnings. In the Company's principal U.S. plans, funds are contributed to trusts in accordance with regulatory limits to provide for current service and for any unfunded projected benefit obligation over a reasonable period. To the extent these requirements are exceeded by plan assets, a contribution may not be made in a particular year. Plan assets consist principally of common stocks, guaranteed investment contracts with insurance companies, investments in real estate funds and U.S. Government obligations.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

Net periodic pension expense of the plans includes the following components:

	1997		1996		1995	
	U.S.	OVERSEAS	U.S.	OVERSEAS	U.S.	OVERSEAS
Service cost--benefits earned during the period.	\$ 24.9	\$ 16.1	\$ 24.5	\$ 15.1	\$19.1	\$15.4
Interest cost on projected benefit obligation.....	67.6	17.6	64.4	17.5	64.5	16.8
Actual return on plan assets.....	(134.0)	(13.5)	(96.9)	(13.6)	(134.7)	(13.0)
Net amortization and deferral.....	59.0	1.0	26.1	4.0	61.5	4.7
Net pension expense.....	\$ 17.5	\$ 21.2	\$ 18.1	\$ 23.0	\$ 10.4	\$ 23.9

The following table sets forth the funded status of the plans at December 31:

	1997		1996	
	U.S.	OVERSEAS	U.S.	OVERSEAS
Plan assets at fair value.....	\$907.3	\$193.4	\$842.8	\$ 171.2
Actuarial present value of benefit obligations:				
Vested obligation.....	878.0	225.7	836.2	219.2
Nonvested obligation.....	39.4	18.0	41.1	16.5
Accumulated benefit obligation.....	917.4	243.7	877.3	235.7
Additional benefits related to assumed future compensation levels.....	59.2	35.1	48.4	36.2
Projected benefit obligation.....	976.6	278.8	925.7	271.9
Plan assets less than projected benefit obligation.....	(69.3)	(85.4)	(82.9)	(100.7)
Deferral of net actuarial changes and other, net.....	58.7	5.6	75.9	4.9
Unrecognized prior service cost.....	44.6	4.5	50.9	4.2
Unrecognized transition asset.....	(13.6)	(2.2)	(21.6)	(4.2)
Additional liability.....	--	(3.9)	--	(1.2)
Prepaid (accrued) pension cost recognized in the Consolidated Balance Sheets.....	\$ 20.4	\$(81.4)	\$ 22.3	\$(97.0)

The actuarial assumptions used to determine the projected benefit obligation of the plans were as follows:

	U.S.			OVERSEAS (WEIGHTED AVERAGE)		
	1997	1996	1995	1997	1996	1995
Settlement rates.....	7.25%	7.50%	7.00%	7.47%	8.23%	8.46%
Long-term rates of compensation increase.....	5.50	5.50	5.50	4.83	5.38	5.47
Long-term rates of return on plan assets.....	9.25	9.25	9.25	10.21	10.91	10.50

When remeasuring the pension obligation, the Company reassesses each actuarial assumption. The settlement rate assumption is pegged to long-term bond rates to reflect the cost to satisfy the pension obligation currently, while the other assumptions reflect the long-term outlook of rates of compensation increases and return on assets.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

OTHER POSTRETIREMENT AND POSTEMPLOYMENT BENEFITS

The Company and certain of its subsidiaries provide health care and life insurance benefits for retired employees to the extent not provided by government-sponsored plans. The Company utilizes a portion of its leveraged ESOP, in the form of future retiree contributions, to reduce its obligation to provide these postretirement benefits. Postretirement benefits are not otherwise currently funded.

Postretirement benefits expense includes the following components:

	1997	1996	1995
	-----	-----	-----
Service cost-benefits earned during the period.....	\$ 2.3	\$ 1.7	\$ 1.9
Annual ESOP allocation.....	(10.1)	(5.0)	(4.2)
Interest cost on accumulated postretirement benefit obligation.....	13.4	12.6	13.7
Amortization of unrecognized net gain.....	(2.1)	(2.2)	(3.4)
	-----	-----	-----
Net postretirement expense.....	\$ 3.5	\$ 7.1	\$ 8.0
	=====	=====	=====

The actuarial present value of postretirement benefit obligations included in Other liabilities in the Consolidated Balance Sheets is comprised of the following components, at December 31:

	1997	1996
	-----	-----
Retirees.....	\$140.5	\$144.8
Active participants eligible for retirement.....	1.6	1.0
Other active participants.....	1.6	6.9
	-----	-----
Accumulated postretirement benefit obligation.....	143.7	152.7
Unrecognized net gain and prior service cost.....	46.9	43.8
	-----	-----
Accrued postretirement benefit liability.....	\$190.6	\$196.5
	=====	=====

The principal actuarial assumptions used in the measurement of the accumulated benefit obligation were as follows:

	1997	1996	1995
	-----	-----	-----
Discount rate.....	7.25%	7.50%	7.00%
Current medical cost trend rate.....	5.75	6.50	8.00
Ultimate medical cost trend rate.....	4.75	5.00	5.00
Medical cost trend rate decreases ratably to ultimate in year.....	1999	1999	1999
ESOP growth rate.....	10.00%	10.00%	10.00%

When remeasuring the accumulated benefit obligation, the Company reassesses each actuarial assumption. The cost of these postretirement medical benefits is dependent upon a number of factors, the most significant of which is the rate at which medical costs increase in the future. The effect of a 1% increase in the assumed medical cost trend rate would increase the accumulated postretirement benefit obligation by approximately \$13.2; annual expense would increase by \$2.1.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

8. INCOME TAXES

The provision for income taxes consists of the following for the years ended December 31:

	1997	1996	1995
	-----	-----	-----
United States.....	\$ 91.0	\$ 67.2	\$ 18.0
Overseas.....	270.9	252.4	173.5
	-----	-----	-----
	\$361.9	\$319.6	\$191.5
	=====	=====	=====

Differences between accounting for financial statement purposes and accounting for tax purposes result in taxes currently payable being (lower) higher than the total provision for income taxes as follows:

	1997	1996	1995
	-----	-----	-----
Excess of tax over book depreciation.....	\$(12.7)	\$(15.9)	\$(18.9)
Net restructuring (spending) accrual.....	(47.5)	(26.3)	70.5
Other, net.....	5.2	21.5	(5.3)
	-----	-----	-----
	\$(55.0)	\$(20.7)	\$ 46.3
	=====	=====	=====

The components of income before income taxes are as follows for the three years ended December 31:

	1997	1996	1995
	-----	-----	-----
United States.....	\$ 271.8	\$171.3	\$(121.1)
Overseas.....	830.5	783.3	484.6
	-----	-----	-----
	\$1,102.3	\$954.6	\$ 363.5
	=====	=====	=====

The difference between the statutory United States federal income tax rate and the Company's global effective tax rate as reflected in the Consolidated Statements of Income is as follows:

PERCENTAGE OF INCOME BEFORE TAX	1997	1996	1995
-----	-----	-----	-----
Tax at U.S. statutory rate.....	35.0%	35.0%	35.0%
State income taxes, net of federal benefit.....	.6	.3	.6
Earnings taxed at other than U.S. statutory rate.....	(1.8)	(1.4)	(.4)
Restructured operations.....	--	--	18.4
Other, net.....	(1.0)	(.4)	(.9)
	-----	-----	-----
Effective tax rate.....	32.8%	33.5%	52.7%
	=====	=====	=====

In addition, net tax benefits of \$49.2 in 1997 and \$32.6 in 1996 were recorded directly through equity.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

The components of deferred tax assets (liabilities) are as follows at December 31:

	1997	1996
	-----	-----
Deferred Taxes--Current:		
Accrued liabilities.....	\$ 78.8	\$ 63.7
Restructuring.....	27.7	24.5
Other, net.....	17.9	28.2
	-----	-----
Total deferred taxes current.....	124.4	116.4
	-----	-----
Deferred Taxes--Long-term:		
Intangible assets.....	(251.6)	(212.9)
Property, plant and equipment.....	(188.4)	(175.7)
Postretirement benefits.....	65.6	73.1
Restructuring.....	--	50.7
Tax loss and tax credit carryforwards.....	159.5	116.3
Other, net.....	54.7	29.1
Valuation allowance.....	(124.3)	(114.9)
	-----	-----
Total deferred taxes long-term.....	(284.5)	(234.3)
	-----	-----
Net deferred taxes.....	<u>\$(160.1)</u>	<u>\$(117.9)</u>

The major component of the 1997 and 1996 valuation allowance relates to tax benefits in certain jurisdictions not expected to be realized.

9. FOREIGN CURRENCY TRANSLATION

Cumulative translation adjustments, which represent the effect of translating assets and liabilities of the Company's non-U.S. entities, except those in highly inflationary economies, were as follows:

	1997	1996	1995
	-----	-----	-----
Balance, January 1.....	\$(534.7)	\$(513.0)	\$(439.3)
Effect of balance sheet translations.....	(159.0)	(21.7)	(73.7)
	-----	-----	-----
Balance, December 31.....	<u>\$(693.7)</u>	<u>\$(534.7)</u>	<u>\$(513.0)</u>

Foreign currency charges, resulting from the translation of balance sheets of subsidiaries operating in highly inflationary environments and from foreign currency transactions, are included in the Consolidated Statements of Income.

10. SUPPLEMENTAL INCOME STATEMENT INFORMATION

	1997	1996	1995
	-----	-----	-----
OTHER EXPENSE, NET			
- - - - -			
Amortization of intangibles.....	\$86.5	\$ 91.7	\$ 87.7
Earnings from equity investments.....	(5.6)	(7.8)	(7.3)
Minority interest.....	29.1	33.4	37.1
Other.....	(37.6)	(23.5)	(21.4)
	-----	-----	-----
	<u>\$72.4</u>	<u>\$ 93.8</u>	<u>\$ 96.1</u>
	=====	=====	=====

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995
INTEREST, NET			
Interest incurred.....	\$241.6	\$244.4	\$250.7
Interest capitalized.....	(10.0)	(12.7)	(14.7)
Interest income.....	(48.1)	(34.3)	(30.6)
	\$183.5	\$197.4	\$205.4

	1997	1996	1995
Research and development.....	\$169.4	\$162.7	\$156.7
Maintenance and repairs.....	113.6	107.1	108.2
Media advertising.....	637.0	565.9	561.3

11. SUPPLEMENTAL BALANCE SHEET INFORMATION

INVENTORIES	1997	1996
Raw materials and supplies.....	\$261.0	\$311.5
Work-in-process.....	33.5	34.3
Finished goods.....	433.9	424.9
	\$728.4	\$770.7

Inventories valued under LIFO amounted to \$157.9 and \$203.7 at December 31, 1997 and 1996, respectively. The excess of current cost over LIFO cost at the end of each year was \$46.7 and \$52.6, respectively. The liquidations of LIFO inventory quantities increased income by \$0, \$1.4 and \$1.4 in 1997, 1996 and 1995, respectively.

PROPERTY, PLANT AND EQUIPMENT, NET	1997	1996
Land.....	\$ 120.6	\$ 126.4
Buildings.....	653.0	655.9
Machinery and equipment.....	3,024.8	3,048.5
	3,798.4	3,830.8
Accumulated depreciation.....	(1,357.4)	(1,401.9)
	\$ 2,441.0	\$ 2,428.9

GOODWILL AND OTHER INTANGIBLE ASSETS, NET	1997	1996
Goodwill and other intangibles.....	\$ 3,060.3	\$ 3,107.4
Accumulated amortization.....	(475.0)	(387.0)
	\$ 2,585.3	\$ 2,720.4

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

OTHER ACCRUALS	1997	1996
-----	-----	-----
Accrued payroll and employee benefits.....	\$331.7	\$293.0
Accrued advertising.....	170.1	135.7
Accrued interest.....	49.5	48.6
Accrued taxes other than income taxes.....	46.7	47.9
Restructuring accrual.....	79.0	115.2
Other.....	161.9	136.4
	-----	-----
	\$838.9	\$776.8
	=====	=====
OTHER LIABILITIES	1997	1996
-----	-----	-----
Minority interest.....	\$227.0	\$232.2
Pension and other benefits.....	365.1	393.9
Restructuring accrual.....	--	38.0
Other.....	183.7	277.9
	-----	-----
	\$775.8	\$942.0
	=====	=====

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company utilizes interest rate swap contracts and foreign currency exchange contracts to manage interest rate and foreign currency exposures. (See the Management's Discussion and Analysis--Derivative Financial Instruments for further discussion.) In assessing the fair value of financial instruments at December 31, 1997 and 1996, the Company has used available market information and other valuation methodologies. Some judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The carrying amounts of cash and cash equivalents, marketable securities, long-term investments and short-term debt approximated fair value as of December 31, 1997 and 1996. The estimated fair value of the Company's remaining financial instruments at December 31 are summarized as follows:

	1997		1996	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
(Liabilities)/Assets:				
Long-term debt, including current portion (including foreign exchange contracts).....	\$(2,518.6)	\$(2,665.6)	\$(2,897.2)	\$(2,994.9)
Other liabilities:				
Interest rate contracts.....	(7.1)	(18.4)	(10.3)	(.4)
Foreign exchange contracts.....	10.3	9.0	4.0	4.8
Equity:				
Foreign exchange contracts (to hedge investment in subsidiaries).....	1.4	6.6	1.7	1.4

As of December 31, 1997 and 1996, the Company had interest rate agreements outstanding with an aggregate notional amount of \$929.8 and \$1,210.9, respectively, with maturities through 2011.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

As of December 31, 1997 and 1996, the Company had approximately \$657.2 and \$676.9, respectively, of out-standing foreign exchange contracts. At December 31, 1997, approximately 8% of outstanding foreign exchange contracts served to hedge net investments in foreign subsidiaries, 36% hedged intercompany loans and 56% hedged third-party debt and other firm commitments.

The Company is exposed to credit loss in the event of nonperformance by counterparties on interest rate agreements and foreign exchange contracts; however, nonperformance by these counterparties is considered remote as it is the Company's policy to contract with diversified counterparties that have a long-term debt rating of A or higher. The amount of any such exposure is generally the unrealized gain on such contracts, which at December 31, 1997 was not significant.

13. RESTRUCTURED OPERATIONS

In September 1995, the Company announced a major worldwide restructuring of its manufacturing and administrative operations, primarily in North America and Europe, designed to further enhance profitable growth over the next several years by generating significant efficiencies and improving competitiveness. The worldwide restructuring program resulted in a 1995 pretax charge of \$460.5 (\$369.2 net of tax) or \$1.27 per share for the year. The charge includes employee termination costs, expenses associated with the realignment of the Company's global manufacturing operations as well as settlement of contractual obligations. As a result of this rationalization, 20 of the 112 factories worldwide have been closed or reconfigured as of December 1997. The restructuring will be substantially completed during 1998 in facilities around the world.

A summary of the restructuring reserve established is as follows:

	ORIGINAL RESERVE	UTILIZED IN 1995 & 1996	BALANCE AT DECEMBER 31, 1996	UTILIZED IN 1997	BALANCE AT DECEMBER 31, 1997
	-----	-----	-----	-----	-----
Workforce.....	\$210.0	\$ (97.6)	\$112.4	\$ (45.0)	\$67.4
Manufacturing plants....	204.1	(125.8)	78.3	(48.0)	30.3
Settlement of contractual obligations.....	46.4	(33.9)	12.5	(11.0)	1.5
	-----	-----	-----	-----	-----
	<u>\$460.5</u>	<u>\$(257.3)</u>	<u>\$203.2</u>	<u>\$(104.0)</u>	<u>\$99.2</u>
	=====	=====	=====	=====	=====

Of the restructuring reserve remaining as of December 31, 1997 and 1996, \$79.0 and \$115.2, respectively, is classified as a current liability, \$0 and \$38.0, respectively, as a noncurrent liability, and \$20.2 and \$50.0, respectively, as a reduction of fixed assets.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

14. QUARTERLY FINANCIAL DATA (UNAUDITED)

	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER
	-----	-----	-----	-----
1997				
Net sales.....	\$2,147.1	\$2,300.9	\$2,297.2	\$2,311.5
Gross profit.....	1,080.6	1,168.1	1,166.7	1,179.8
Net income.....	169.6	175.8	188.6	206.4
Earnings per common share:				
Basic.....	.56	.58	.62	.68
Diluted.....	.52	.54	.58	.63
1996				
Net sales.....	\$2,053.7	\$2,167.3	\$2,230.6	\$2,297.4
Gross profit.....	1,003.3	1,061.0	1,094.8	1,138.8
Net income.....	143.5	148.9	160.9	181.7
Earnings per common share:				
Basic.....	.47	.49	.53	.60
Diluted.....	.44	.46	.50	.56

15. MARKET AND DIVIDEND INFORMATION

The Company's common stock and \$4.25 Preferred Stock are listed on the New York Stock Exchange. The trading symbol for the common stock is CL. Dividends on the common stock have been paid every year since 1895, and the amount of dividends paid per share has increased for 35 consecutive years.

MARKET PRICE

QUARTER ENDED	COMMON STOCK				\$4.25 PREFERRED STOCK			
	1997		1996		1997		1996	
	HIGH	LOW	HIGH	LOW	HIGH	LOW	HIGH	LOW
March 31.....	\$56.88	\$45.44	\$41.50	\$34.44	\$72.50	\$67.00	\$73.00	\$69.00
June 30.....	66.50	49.75	42.82	37.69	73.00	70.50	71.50	67.50
September 30.....	77.13	61.81	44.38	39.07	74.50	68.94	69.00	64.50
December 31.....	74.50	62.25	47.75	43.00	78.00	69.50	72.00	65.50
Closing Price.....	\$73.50		\$46.13		\$76.50		\$70.00	

DIVIDENDS PAID PER SHARE

QUARTER ENDED	1997	1996	1997	1996
-----	-----	-----	-----	-----
March 31.....	\$.235	\$.235	\$1.0625	\$1.0625
June 30.....	.275	.235	1.0625	1.0625
September 30.....	.275	.235	1.0625	1.0625
December 31.....	.275	.235	1.0625	1.0625
Total.....	\$1.06	\$.94	\$ 4.25	\$ 4.25
	=====	=====	=====	=====

COLGATE-PALMOLIVE COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

(Dollars in Millions Except Per Share Amounts)

16. EARNINGS PER SHARE

	FOR THE YEAR ENDED 1997			FOR THE YEAR ENDED 1996			FOR THE YEAR ENDED 1995		
	INCOME	SHARES	PER SHARE	INCOME	SHARES	PER SHARE	INCOME	SHARES	PER SHARE
Net income.....	\$740.4			\$635.0			\$172.0		
Preferred dividends.....	(21.1)			(21.4)			(21.6)		
BASIC EPS.....	719.3	295.3	\$2.44	613.6	293.3	\$2.09	150.4	290.4	\$.52
Stock options.....		6.9			5.1			5.1	
ESOP conversion.....	17.9	22.9		16.1	23.3		-- *	-- *	
DILUTED EPS.....	\$737.2	325.1	\$2.27	\$629.7	321.7	\$1.96	\$150.4	295.5	\$.51
	=====	=====		=====	=====		=====	=====	

* The calculation of diluted earnings per share excludes the effect of antidilutive securities for 1995.

17. COMMITMENTS AND CONTINGENCIES

Minimum rental commitments under noncancellable operating leases, primarily for office and warehouse facilities, are \$65.2 in 1998, \$56.4 in 1999, \$53.3 in 2000, \$46.4 in 2001, \$43.9 in 2002 and \$164.1 thereafter. Rental expense amounted to \$94.4 in 1997, \$93.3 in 1996 and \$91.8 in 1995. Contingent rentals, sublease income and capital leases, which are included in fixed assets, are not significant.

The Company has various contractual commitments to purchase raw materials, products and services totaling \$152.2 that expire through 1999.

The Company is a party to various superfund and other environmental matters and is contingently liable with respect to lawsuits, taxes and other matters arising out of the normal course of business. Management proactively reviews and manages its exposure to, and the impact of, environmental matters. While it is possible that the Company's cash flows and results of operations in particular quarterly or annual periods could be affected by the one-time impacts of the resolution of such contingencies, it is the opinion of management that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material impact on the Company's financial condition or ongoing cash flows and results of operations.

COLGATE-PALMOLIVE COMPANY

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 1997
(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
-----	-----	-----		-----	-----
		ADDITIONS			

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	CHARGED TO COSTS AND EXPENSES	OTHER	DEDUCTIONS	BALANCE AT END OF PERIOD
-----	-----	-----	-----	-----	-----
Allowance for doubtful accounts.....	\$ 33.8 =====	\$14.0 =====	\$ -- =====	\$12.0(1) =====	\$ 35.8 =====
Accumulated amortization of goodwill and other intangibles.....	\$387.0 =====	\$88.0 =====	\$ -- =====	\$ -- =====	\$475.0 =====
Valuation allowance for deferred tax assets....	\$114.9 =====	\$.6 =====	\$30.8(2) =====	\$22.0(2) =====	\$124.3 =====

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NOTES:

- (1) Uncollectible accounts written off and cash discounts allowed.
- (2) Increase/decrease in allowance for tax loss and tax credit carryforward benefits which more likely than not will not be utilized in the future.

COLGATE-PALMOLIVE COMPANY

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 1996
(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	
-----	-----	-----	-----	-----	
	ADDITIONS				
	BALANCE AT	CHARGED TO		BALANCE AT	
DESCRIPTION	BEGINNING	COSTS AND	OTHER DEDUCTIONS	END OF PERIOD	
-----	OF PERIOD	EXPENSES		-----	
Allowance for doubtful accounts.....	\$ 31.9 =====	\$11.8 =====	\$-- =====	\$9.9(1) =====	\$ 33.8 =====
Accumulated amortization of goodwill and other intangibles.....	\$295.3 =====	\$91.7 =====	\$-- =====	\$-- =====	\$387.0 =====
Valuation allowance for deferred tax assets.....	\$118.2 =====	\$ -- =====	\$-- =====	\$3.3(2) =====	\$114.9 =====

NOTES:

- (1) Uncollectible accounts written off and cash discounts allowed.
- (2) Increase/decrease in allowance for tax loss and tax credit carryforward benefits which more likely than not will not be utilized in the future.

COLGATE-PALMOLIVE COMPANY

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 1995
(DOLLARS IN MILLIONS EXCEPT PER SHARE AMOUNTS)

COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E
-----	-----	-----		-----	-----
		ADDITIONS			

DESCRIPTION	BALANCE AT	CHARGED TO	OTHER	DEDUCTIONS	BALANCE AT
-----	BEGINNING	COSTS AND	-----	-----	END OF PERIOD
	OF PERIOD	EXPENSES			-----
	-----	-----	-----	-----	-----
Allowance for doubtful accounts.....	\$ 23.1 =====	\$12.5 =====	\$ 4.4(4) =====	\$ 8.1(1) =====	\$ 31.9 =====
Accumulated amortization of goodwill and other intangibles.....	\$207.6 =====	\$87.7 =====	\$ -- =====	\$ -- =====	\$295.3 =====
Valuation allowance for deferred tax assets....	\$ 32.4 =====	\$69.9(3) =====	\$24.4(2) =====	\$ 8.5(2) =====	\$118.2 =====

NOTES:

- (1) Uncollectible accounts written off and cash discounts allowed.
- (2) Increase/decrease in allowance for tax loss and tax credit carryforward benefits which more likely than not will not be utilized in the future.
- (3) Allowance for tax benefits from restructured operations in certain jurisdictions not expected to be realized.
- (4) Other adjustments.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and Shareholders of
Colgate-Palmolive Company:

We have audited the accompanying consolidated balance sheets of Colgate-Palmolive Company (a Delaware corporation) and subsidiaries as of December 31, 1997 and 1996, and the related consolidated statements of income, retained earnings, changes in capital accounts and cash flows for each of the three years in the period ended December 31, 1997. These financial statements and the schedules referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Colgate-Palmolive Company and subsidiaries as of December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the index to financial statements are presented for purposes of complying with the Securities and Exchange Commission's rules and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

/S/ ARTHUR ANDERSEN LLP

New York, New York
February 2, 1998

COLGATE-PALMOLIVE COMPANY

HISTORICAL FINANCIAL SUMMARY(1)
(Dollars in Millions Except Per Share Amounts)

	1997	1996	1995	1994	1993	1992	1991	1990	1989	1988
CONTINUING OPERATIONS										
Net sales.....	\$9,056.7	\$8,749.0	\$8,358.2(2)	\$7,587.9	\$7,141.3	\$7,007.2	\$6,060.3	\$5,691.3	\$5,038.8	\$4,734.3
Results of operations:										
Net income.....	740.4	635.0	172.0(2)	580.2(3)	189.9(4)	477.0	124.9(5)	321.0	280.0	152.7(6)
Per share, basic.....	2.44	2.09	.52(2)	1.91(3)	.54(4)	1.46	.38(5)	1.14	.99	.56(6)
Per share, diluted....	2.27	1.96	.51(2)	1.78(3)	.53(4)	1.37	.38(5)	1.06	.95	.55(6)
Depreciation and amortization expense..	319.9	316.3	300.3	235.1	209.6	192.5	146.2	126.2	97.0	82.0
FINANCIAL POSITION										
Current ratio.....	1.1	1.2	1.3	1.4	1.5	1.5	1.5	1.4	1.9	1.7
Property, plant and equipment, net.....	2,441.0	2,428.9	2,155.2	1,988.1	1,766.3	1,596.8	1,394.9	1,362.4	1,105.4	1,021.6
Capital expenditures...	478.5	459.0	431.8	400.8	364.3	318.5	260.7	296.8	210.0	238.7
Total assets.....	7,538.7	7,901.5	7,642.3	6,142.4	5,761.2	5,434.1	4,510.6	4,157.9	3,536.5	3,217.6
Long-term debt.....	2,340.3	2,786.8	2,992.0	1,751.5	1,532.4	946.5	850.8	1,068.4	1,059.5	674.3
Shareholders' equity...	2,178.6	2,034.1	1,679.8	1,822.9	1,875.0	2,619.8	1,866.3	1,363.6	1,123.2	1,150.6
SHARE AND OTHER										
Book value per common share.....	7.30	6.84	5.67	6.23	6.20	8.10	6.27	5.06	4.20	4.12
Cash dividends declared and paid per common share.....	1.06	.94	.88	.77	.67	.58	.51	.45	.39	.37(7)
Closing price.....	73.50	46.13	35.13	31.69	31.19	27.88	24.44	18.44	15.88	11.75
Number of common shares outstanding (in millions).....	295.4	294.3	291.7	288.8	298.5	320.5	294.7	266.4	264.4	276.3
Number of shareholders of record:										
\$4.25 Preferred.....	320	350	380	400	450	470	460	500	500	550
Common.....	46,800	45,500	46,600	44,100	40,300	36,800	34,100	32,000	32,400	33,200
Average number of employees.....	37,800	37,900	38,400	32,800	28,000	28,800	24,900	24,800	24,100	24,700

- (1) All share and per share amounts have been restated to reflect both the 1997 and the 1991 two-for-one stock splits.
- (2) Income in 1995 includes a net provision for restructured operations of \$369.2. (Excluding the charge, earnings per share would have been \$1.79, basic and \$1.67, diluted.)
- (3) Income in 1994 includes a one-time charge of \$5.2 for the sale of a non-core business, Princess House.
- (4) Income in 1993 includes a one-time impact of adopting new mandated accounting standards, effective in the first quarter of 1993, of \$358.2. (Excluding this charge, earnings per share would have been \$1.69, basic and \$1.58, diluted.)
- (5) Income in 1991 includes a net provision for restructured operations of \$243.0. (Excluding this charge, earnings per share would have been \$1.28, basic and \$1.20, diluted.)
- (6) Income in 1988 includes Hill's service agreement renegotiation net charge of \$42.0. (Excluding this charge, earnings per share would have been \$.71, basic and \$.70, diluted.)
- (7) Due to timing differences, 1988 includes three dividend declarations totaling \$.28 per share and four payments totaling \$.37 per share while all other years include four dividend declarations.

COLGATE-PALMOLIVE COMPANY

EXHIBITS TO FORM 10-K

YEAR ENDED DECEMBER 31, 1997

COMMISSION FILE NO. 1-644

EXHIBIT NO. -----	DESCRIPTION -----
3-A	Restated Certificate of Incorporation, as amended. (Registrant hereby incorporates by reference Exhibit 1 to its Form 8-K dated October 17, 1991, File No. 1-644-2.)
3-B	By-laws. (Registrant hereby incorporates by reference Exhibit 3-B to Amendment No. 1 to its Quarterly Report on Form 10-Q for the quarter ended September 30, 1994, File No. 1-644-2.)
4-A	Rights agreement dated as of October 13, 1988 between registrant and Morgan Shareholder Services Trust Company. (Registrant hereby incorporates by reference Exhibit I to its Form 8-A dated October 21, 1988, File No. 1-644-2.)
4-B(a)	Other instruments defining the rights of security holders, including indentures.*
(b)	Colgate-Palmolive Company Employee Stock Ownership Trust Note Agreement dated as of June 1, 1989. (Registrant hereby incorporates by reference Exhibit 4-B (b) to its Annual Report on Form 10-K for the year ended December 31, 1989, File No. 1-644-2.)
10-A	Colgate-Palmolive Company 1977 Stock Option Plan, as amended. (Registrant hereby incorporates by reference Exhibit 10-A to its Annual Report on Form 10-K for the year ended December 31, 1986, File No. 1-644-2.)
10-B(a)	Colgate-Palmolive Company Executive Incentive Compensation Plan, as amended.
(b)	Colgate-Palmolive, as amended Company Executive Incentive Compensation Plan Trust. (Registrant hereby incorporates by reference Exhibit 10-B(b) to its Annual Report on Form 10-K for the year ended December 31, 1987, File No. 1-644-2.)
10-C(a)	Colgate-Palmolive Company Supplemental Salaried Employees Retirement Plan. (Registrant hereby incorporates by reference Exhibit 10-E (Plan only) to its Annual Report on Form 10-K for the year ended December 31, 1984, File No. 1-644-2.)
(b)	Colgate-Palmolive Company Supplemental Spouse's Benefit Trust. (Registrant hereby incorporates by references by reference Exhibit 10-C (b) to its Annual Report on Form 10-K for the year ended December 31, 1987, File No. 1-644-2.)
10-D(a)	Lease dated August 15, 1978 between Harold Uris, d/b/a Uris Holding Company, and Colgate-Palmolive Company. (Registrant hereby incorporates by reference Exhibit 2(b) to its Annual Report on Form 10-K for the year ended December 31, 1978, File No. 1-644-2.)
(b)	First Supplemental Amendment dated as of January 1, 1989, between The Bank of New York as trustee under the will of Harold D. Uris, deceased, d/b/a Uris Holding Company, and Colgate-Palmolive Company. (Registrant hereby incorporates by reference Exhibit 10-D (b) to its Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, File No. 1-644.)
(c)	Second Supplemental Agreement dated as of March 15, 1995, between The Bank of New York as trustee under the will of Harold D. Uris, deceased, and Colgate-Palmolive Company. (Registrant hereby incorporates by reference Exhibit 10-D (c) to its Quarterly Report on Form 10-Q for the quarter ended June 30, 1995, File No. 1-644.)

EXHIBIT NO. -----	DESCRIPTION -----
	(d) Third Supplemental Agreement dated as of June 13, 1996, between 300 Park Avenue, LLC (as successor in interest to The Bank of New York, as Trustee under the Will of Harold D. Uris, deceased) and Colgate-Palmolive Company.
10-E(a)	Colgate-Palmolive Company Executive Severance Plan, as amended. (Registrant hereby incorporates by reference Exhibit 10-E(a) to its Annual Report on Form 10-K for the year ended December 31, 1995, File No. 1-644.)
	(b) Colgate-Palmolive Company Executive Severance Plan Trust. (Registrant hereby incorporates by reference Exhibit 10-E (b) to its Annual Report on Form 10-K for the year ended December 31, 1987, File No. 1-644-2.)
10-F	Colgate-Palmolive Company Pension Plan for Outside Directors, as amended and restated.
10-G	Colgate-Palmolive Company Stock Plan for Non-Employee Directors, as amended.
10-H	Colgate-Palmolive Company Restated and Amended Deferred Compensation Plan for Non-Employee Directors, as amended.
10-I	Career Achievement Plan. (Registrant hereby incorporates by reference Exhibit 10-I to its Annual Report on Form 10-K for the year ended December 31, 1986, File No. 1-644-2.)
10-J	Colgate-Palmolive Company 1987 Stock Option Plan, as amended.
10-K(a)	Stock incentive agreement between Colgate-Palmolive Company and Reuben Mark, Chairman and Chief Executive Officer, dated January 13, 1993, pursuant to the Colgate-Palmolive Company 1987 Stock Option Plan, as amended. (Registrant hereby incorporates by reference Exhibit 10-N to its Annual Report on Form 10-K for the year ended December 31, 1993, File No. 1-644-2.)
	(b) Stock incentive agreement between Colgate-Palmolive Company and Reuben Mark, Chairman and Chief Executive Officer, dated November 7, 1997, pursuant to the Colgate-Palmolive Company 1997 Stock Option Plan.
10-L	Colgate-Palmolive Company Non-Employee Director Stock Option Plan, as amended.
10-M	U.S. \$800,000,000 Five Year Credit Agreement dated as of May 30, 1997. (Registrant hereby incorporates by reference Exhibit 10-N to its Quarterly Report on Form 10-Q for the quarter ended June 30, 1997, File No. 1-644.)
10-N	Colgate-Palmolive Company 1996 Stock Option Plan, as amended.
10-O	Colgate-Palmolive Company 1997 Stock Option Plan. (Registrant hereby incorporates by reference Appendix A to its 1997 Notice of Meeting and Proxy.)
11	Statement re Computation of Earnings Per Common Share.
12	Statement re Computation of Ratio of Earnings to Fixed Charges.
21	Subsidiaries of the Registrant.
23	Consent of Independent Public Accountants.
24	Powers of Attorney.
27	Financial Data Schedule.

* Registrant hereby undertakes upon request to furnish the Commission with a copy of any instrument with respect to long-term debt where the total amount of securities authorized thereunder does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis.

The exhibits indicated above which are not included with the Form 10-K 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-K
Exhibits)
300 Park Avenue
New York, New York 10022-7499

COLGATE-PALMOLIVE COMPANY

EXECUTIVE INCENTIVE COMPENSATION PLAN

As approved by the Stockholders April 25, 1962 and amended by the Board of Directors through November 1, 1996.

Section 1. Purpose of the Plan. The purpose of the Plan is to provide an incentive for executives and other key personnel who are in a position to contribute materially to the success of the Company; to reward accomplishment on their part; and to aid in attracting and holding executives of the caliber necessary for the continued growth and profitability of the Company.

Section 2. Stock Subject to Plan. Subject to adjustment as provided herein, the total number of shares of common stock available for grant under the Plan during any given calendar year shall be four tenths percent (.4%) of the total number of shares of common stock outstanding as of the first day of each such year beginning after December 31, 1993 for which the Plan is in effect; provided that any shares available for grant in a particular calendar year which are not, in fact, granted in such year shall be added to the shares available for grant in any subsequent calendar year.

Section 3. Awards. Awards pursuant to the Plan may be made to the persons who served as officers of the Company during the year for which such awards are made, and to other employees who served the Company during such period in executive capacities or in key administrative or technical positions.

Subject to Section 7, the form and amount of each award to a Designated Executive (as defined below) or any other officer of the Company shall be determined by and in the discretion of at least two members of the Personnel and Organization Committee (the "Committee"), each of whom shall be a Non-Employee Director (as defined below). The form and amount of each award to an employee who is not a Designated Executive or an officer of the Company shall be determined by the Chief Executive Officer of the Company with the approval of the Committee and in accordance with such regulations as may be prescribed from time to time by the Committee.

For the purposes of the Plan:

(1) "Company" means Colgate-Palmolive Company, a Delaware corporation, together with, when the context requires, its directly or indirectly owned subsidiaries.

(2) "Designated Executives" shall mean the Chairman and Chief Executive Officer of the Company and each officer, executive or other key employee designated in writing

by the Committee prior to the commencement of the measurement period applicable to any award under the Plan.

(3) "Non-Employee Director" shall mean a member of the Board of Directors of the Company who qualifies as a Non-Employee Director as defined in Rule 16b-3(d)(3), as promulgated by the Securities and Exchange Commission or any successor agency (the "Commission") under the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto (the "Exchange Act"), or any successor definition adopted by the Commission, and also qualifies as an "outside director" for purposes of Section 162 (m) of the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto (the "Code").

Awards shall be made as soon as practicable after the close of the year for which they are made or during the year (subject to Section 7), at the Committee's discretion. They may be made payable in cash, in common stock of the Company, or partly in cash and partly in common stock of the Company, and may be made payable in whole or in part at the time the award is made or on a deferred basis in each case as determined by the Committee at the time the award is made. Deferred awards payable in common stock of the Company may take the form of "restricted stock", the vesting of which may be subject to such terms and conditions as the Committee may from time to time determine. The Committee may condition the grant and vesting of an award, whether payable in cash, common stock of the Company or otherwise, upon the attainment of specified performance goals relating to the participant or the Company or subsidiary, division or department of the Company for or within which the participant is primarily employed, or upon such other factors or criteria as the Committee shall determine, which goals may be different for each award recipient. Awards of cash and common stock of the Company under the Plan for Designated Executives who may be "covered employees" within the meaning of Section 162 (m) of the Code shall be subject to preestablished performance goals in accordance with Section 7 hereof. Except as so limited, any or all deferred awards shall be made payable in one or more installments over a period of not more than fifteen years, as determined by the Committee when the awards are made. Subject to the same limitations, the Committee may at any time accelerate or defer the time of payment of the deferred balance of any award or awards made under the Plan.

If a participant dies, the balance of the award to him which remains unpaid at the time of his death shall be paid to his personal representatives in the same manner as if the participant were living.

In the event of a Change of Control of the Company, then notwithstanding any provision of this Plan to the contrary, the Company, upon the direction of the Committee, shall have the right to purchase from the trustee all the deferred shares of Company common stock held in trust for cash for a period of thirty days beginning on the first business day following a Change of Control of the Company; provided, however, that the Company shall not have the right to purchase deferred shares held for

the account of any participant subject to Section 16 of the Exchange Act, without such participant's consent, if such purchase would cause the participant to incur liability under Section 16 of the Exchange Act. Such purchases shall be at fair market value on the date of the purchase, which shall be computed by taking the mean between the high and low prices for such date on the composite tape. The trustee shall hold such cash for the accounts of Plan participants and shall pay such amounts to participants as directed by the Committee in accordance with the Plan.

A "Change of Control" shall be deemed to have occurred upon the occurrence of any of the following events, unless and except to the extent otherwise determined by the Committee prior to the occurrence of such event (i) the acquisition by a third person, including a "group" as defined in Section 13(d) (3) of the Act, of shares of the Company having 20% or more of the total number of votes that may be cast for the election of directors of the Company, (ii) shareholder approval of a transaction for the acquisition of the Company, or substantially all of its assets, by another business entity or for a merger, reorganization, consolidation or other business combination to which the Company is a party, (iii) a change during any period of 24 months or less in the composition of a majority of the Board of Directors where such change has not been approved by a majority of the Board as constituted immediately prior to the commencement of such period or (iv) any other event determined by the Committee to be a Change of Control for purposes of the Plan.

Section 4. Dividend Equivalents. On each December 31 which is after the date of a deferred award in stock but prior to the date of termination of the participant's employment, and on the date of termination, the Company shall credit to the award shares of common stock of the Company of an aggregate value (to be determined as provided in Section 6) equal to the amount of dividends which the participant would have received since the date of the award or of the last previous credit to the award pursuant to this Section, whichever is later, if the number of shares payable in respect of the award had been registered in the name of the participant on each of the record dates for payment of any such dividends. The shares so credited to an award shall thereafter be included in and deemed a part of such award for the purpose of computing any future credit to the award pursuant to this Section 4.

On each date after termination of the participant's employment on which a dividend on the common stock of the Company shall be paid, the record date for which is after the date of a deferred award in stock and prior to the date of registration in the name of the participant of all the shares so payable in respect of such award, the Company shall pay to the participant with respect to any shares then payable in respect of the award, an amount in cash equal to the dividends which the participant would have received if such shares had been registered in his name on the record date for such dividends.

If a dividend on the common stock of the Company is made payable in property other than cash or common stock of the Company, the dividend equivalent with respect

thereto shall be based on the fair market value of such property, as determined by the Committee in its discretion.

Section 5. Administration of the Plan. Full power to interpret, construe and administer the Plan shall, except as otherwise provided in the Plan, be vested in the Committee, which may adopt, alter, amend or revoke regulations for such purpose. The Board of Directors shall have the right to modify the Plan from time to time but no such modification shall, without prior approval of the stockholders, materially increase the amount available for awards, materially increase the benefits accruing to participants hereunder, materially modify the requirements regarding eligibility for participation in the Plan, or, without the consent of the participant affected, impair any award made prior to the effective date of the modification. Without limiting the generality of the foregoing, the Board of Directors, subject to the foregoing limitations, may amend or rescind any provision of the Plan and the Committee, subject to the foregoing limitations, may change the number of installments in which awards are payable, accelerate or defer the payment of installments, modify the conditions under which installments may be paid or modify the Plan to the extent that it determines that the provisions of Section 7, in whole or in part, are no longer required to preserve the deductibility of the payments thereunder under then applicable laws, rules, regulations and interpretations.

Section 6. General Provisions. Awards under the Plan shall constitute general obligations of the Company in accordance with the terms of the Plan and no recipient of an award shall be entitled to have his award satisfied out of any particular assets of the Company or out of any particular shares of treasury stock of the Company. No participant shall be deemed to be a stockholder with respect to any shares included in an award, prior to the registration of said shares in his name on the stock books of the Company.

Notwithstanding the foregoing, upon the direction of the Committee, the Company may by agreement with one or more trustees to be selected by the Committee, create a trust to receive and hold so many, as the Committee shall determine from time to time, of deferred awards made to participants under the Plan and dividend equivalents credited thereon and to make payments of such awards to participants in accordance with the terms of the Plan. In the event the Committee elects to create such a trust, the Committee shall transfer and pay over to the trustee so many, as the Committee shall determine from time to time, of the deferred awards (whether in cash or common stock of the Company) and dividend equivalents presently held by the Company for the account of participants and deferred awards and dividend equivalents hereafter made under the terms of the Plan. The trustee will hold all such deferred awards and dividend equivalents thereon in accordance with the terms of the trust agreement which shall contain such terms and conditions (not inconsistent with the Plan) as the Committee may deem advisable; provided, however, that the trust agreement shall require that (i) the trustee is to make all distributions to participants in accordance with the terms of the Plan; (ii) all trust assets shall remain subject to the claims of the

judgment creditors of the Company; and (iii) no trust assets will be returned to the Company (except to satisfy the claims of judgment creditors) until all distributions due to participants under the Plan have been paid or provided for.

Shares of common stock which are awarded or credited to awards shall be shares reacquired by the Company for this purpose and shall be valued for the purpose of the award or credit, as the case may be, at the average cost per share (including brokerage) of all shares awarded or credited at the same time. Adjustments shall be made in cash for any fractional shares which would otherwise be included in the award or credit.

The amount of cash and the number of shares to be included in each installment payable on a deferred basis shall be determined immediately prior to payment of the first installment on such basis by dividing the amount of cash and the number of shares which are payable on such basis by the number of installments in which the award is payable. In the event that the number of shares is not equally divisible by the number of installments, the number of shares to be included in each installment other than the last shall be the number which, when multiplied by the number of installments, most nearly equals but does not exceed the total number of shares payable, and the last installment shall consist of the total number of shares minus all shares to be made payable prior thereto.

Subject to Section 7, if at any time after the date of an award in stock but prior to payment in full of all shares included in the award, there shall be a split-up, combination or reclassification of the shares of common stock of the Company, or payment of a dividend on the common stock of the Company in shares of common stock of the Company, or a consolidation, merger or sale of substantially all of the assets of the Company, the Committee shall make such change in the number and class of shares thereafter payable in respect of such award as shall, in the judgment of the Committee, appropriately reflect the effect of such split-up, combination, reclassification, stock dividend, consolidation, merger or sale of assets.

Any taxes which are required to be withheld from payments shall be deducted and withheld by the Company. In the case of awards of common stock of the Company, the Committee may allow the participant to irrevocably elect to pay such withholding (up to the maximum marginal tax rate applicable to the award) (i) by cash or check, (ii) from any cash award then payable to the participant, (iii) using previously-owned shares of Company common stock or (iv) from the shares of Company common stock then payable to the participant.

For the purposes of the Plan, retirement of a participant on January 1 of any year shall be deemed to have taken place as of December 31 of the preceding year.

Nothing contained in the Plan shall be deemed to limit or restrict the right of the Company and its subsidiaries to compensate any of their employees in whole or in part under separate commission or bonus plans or arrangements.

No right under the Plan shall be subject to anticipation, sale, assignment, pledge, encumbrance or charge without the consent of the Committee. If any participant shall be adjudicated a bankrupt or attempt to anticipate, sell, assign, pledge or encumber any right hereunder without such consent, the Committee in its discretion may terminate all rights of such participant and may hold or apply the unpaid balance of the award, or any part thereof, for the benefit of his legal representatives, spouse, children, or other dependents, or any of them, in such manner and in such proportions as the Committee may deem proper. Payment of any award assigned with the consent of the Committee shall, in the event of the death of the assignor, be paid as specified in such assignment which shall take precedence over the mode of payment specified in the fourth paragraph of Section 3.

Any transaction effected pursuant to this Plan that is deemed to be a "Discretionary Transaction" as defined in Rule 16b-3(b) under the Securities Exchange Act of 1934, as amended, that occurs within six months of an "opposite way" discretionary transaction (as described in Rule 16b-3(f) thereunder) is automatically voided and will be deferred until six months have elapsed from the date of the most recent "opposite way" discretionary transaction under any Plan of the Company.

Section 7. Procedures for Certain Designated Executives. Annual and Long-Term Incentive Awards of cash and common stock under the Plan for Designated Executives who may be "Covered Employees" within the meaning of Section 162 (m) of the Code shall be subject to preestablished performance objectives as set forth herein. Notwithstanding Section 6 hereof, the Committee shall not have discretion to modify the terms of awards to such Designated Executives except as specifically set forth in this Section 7. It is intended that all payments hereunder to Designated Executives who are Covered Employees will meet the requirements of 162 (m) and the regulations thereunder and will not be disallowed thereunder.

(a) Annual Incentive Awards. (i) Annual Target Amount. No later than ninety (90) days after the commencement of the calendar year to which the goal relates, the Committee shall establish target amounts for annual awards ("Annual Target Amounts") for such of the Designated Executives who may be "covered employees", payment of which shall be conditioned upon satisfaction of specific performance objectives for such calendar year established by the Committee in writing at the time of establishment of the Annual Target Amount. After the close of the calendar year, the Committee shall grant an award (the "Annual Incentive Award") based upon a percentage or multiple of the pre-established Annual Target Amount. The Annual Target Amount will be established in writing by the Committee and will either be a fixed amount or an amount determined pursuant to a formula. The extent to which the Annual Incentive Award will be payable will be based upon the degree of achievement of predetermined specific performance objectives over the calendar year; provided, however, that the Committee may, in its sole discretion, reduce the amount which would otherwise be payable (under which circumstances the participant will not have

the right to receive the full Annual Incentive Award even if the annual performance objectives are met).

(ii) Annual Performance Objectives. The performance objectives ("Annual Performance Objectives") established in writing by the Committee at the time the Annual Target Amount is established will be comprised of specified annual levels of one or more of the following performance measures: earnings per share, sales, net profit after tax, gross profit, operating profit, unit volume, return on equity, change in working capital, return on capital or shareholder return.

(iii) Payment of Annual Incentive Awards. At the time the Annual Target Amount is established, the Committee shall prescribe a formula to determine the percentage of the Annual Target Amount which may be payable based upon the degree of attainment of the Annual Performance Objectives, which shall be determined as of the last day of the calendar year. Prior to payment of any Annual Incentive Awards, the Committee must certify the degree of attainment of the applicable Annual Performance Objectives. Payments shall be made in cash or shares in accordance with the prescribed formula in amounts ranging from 0% to 200% of the Annual Target Amount.

(iv) Maximum Payable. The maximum amount payable to such Designated Executives for a given calendar year as an Annual Incentive Award is \$2,000,000 in cash. The maximum amount will be adjusted annually to reflect increases in the Consumer Price Index-U published by the Bureau of Labor Statistics for each twelve month period commencing January 1.

(b) Long-Term Incentive Awards. (i) Long-Term Target Amount. No later than ninety (90) days after the commencement of a measurement period the Committee shall establish target amounts for long-term awards (the "Long-Term Target Amount") to such of the Designated Executives who may be "covered employees", payment of which shall be conditioned upon satisfaction of specific performance objectives measured over a period of greater than one year established by the Committee in writing at the time of establishment of the Long-Term Target Amount. After the expiration of the applicable measurement period, the Committee shall grant to each Designated Executive an award (the "Long-Term Incentive Award") based upon a percentage or multiple of the Long Term Target Amount. The Long-Term Target Amount will be established in writing by the Committee and will either be a fixed amount or an amount determined pursuant to a formula. The Long-Term Target Amount may be denominated either in terms of a target dollar amount or a specified target number of shares of common stock of the Company and may be payable in cash or common stock of the Company regardless of the denomination of the Long-Term Target Amount. The extent, if any, to which a Long-Term Incentive Award will be payable will be based upon the degree of achievement of predetermined performance objectives over a specified measurement period; provided, however, that the Committee may, in its sole discretion, reduce the amount which would otherwise be payable upon expiration of the measurement period (under which circumstances the participant will

not have the right to receive the full amount of such Long-Term Incentive Award even if the long-term performance objectives are met).

(ii) Measurement Period. The measurement period will be a period of three calendar years, unless a longer or shorter period is otherwise selected and established in writing by the Committee at the time any Long-Term Target Amount is established (the period so specified being hereinafter referred to as the "Measurement Period").

(iii) Long-Term Performance Objectives. The performance objectives for any Measurement Period ("Long-Term Performance Objectives") established in writing by the Committee at the time the Long-Term Target Amount is established will be comprised of specified levels of one or more of the following performance measures: earnings per share, sales, net profit after tax, gross profit, operating profit, unit volume, return on equity, change in working capital, return on capital or shareholder return.

(iv) Payment of a Long-Term Incentive Award. At the time the Long-Term Target Amount is established, the Committee shall prescribe a formula to determine the percentage of the Long-Term Target Amount which may be payable based upon the degree of attainment of the Long-Term Performance Objectives which shall be determined as of the last day of the Measurement Period. Prior to payment of any Long-Term Incentive Awards, the Committee must certify the degree of attainment of the applicable Long-Term Performance Objectives. Payments of Long-Term Incentive Awards shall be made in accordance with the prescribed formula in amounts ranging from 0% to 175% of the Long-Term Target Amount. To the extent a Long-Term Target Amount is denominated in shares, after such Long-Term Target Amount is established and prior to the payment of the applicable Long-Term Incentive Award, the amount of shares payable to a Designated Executive will be adjusted to reflect a change in corporate capitalization such as a stock split or a corporate transaction such as a merger, spin-off or corporate split-up, reorganization, consolidation or partial or complete liquidation.

(v) Maximum Payable. The maximum amount payable to a Designated Executive for a given Measurement Period as a Long-Term Incentive Award is 50,000 shares of common stock of the Company. The maximum will be adjusted to reflect a change in corporate capitalization such as a stock split-up or a corporate transaction such as a merger or sale of stock or assets, reorganization, consolidation or partial or complete liquidation.

Section 8. Effective Date. The Plan shall be effective for the year 1962 and for each year thereafter until terminated by the Board of Directors.

=====
THIRD SUPPLEMENTAL AGREEMENT TO LEASE

BETWEEN

300 PARK AVENUE, LLC,
Landlord,

AND

COLGATE-PALMOLIVE COMPANY,
Tenant

300 PARK AVENUE
NEW YORK, NEW YORK
=====

THIRD SUPPLEMENTAL AGREEMENT

THIRD SUPPLEMENTAL AGREEMENT (this "Agreement") dated as of the 13th day of

June, 1996, between 300 PARK AVENUE, LLC (as successor in interest to The Bank
of New York, as Trustee under the Will of Harold D. Uris, deceased), having an
office at 48 Wall Street, New York, New York 10286 ("Landlord"), and COLGATE-

PALMOLIVE COMPANY, a Delaware corporation, having an office at 300 Park Avenue,
New York, New York 10022 ("Tenant").

W I T N E S S E T H :

WHEREAS:

A. Landlord and Tenant have heretofore entered into that certain
lease, dated as of August 15, 1978, between Landlord, as landlord, and Tenant,
as tenant, as amended by (i) that certain First Supplemental Agreement, dated as
of January 1, 1989, and (ii) that certain Second Supplemental Agreement (the
"Second Supplement") dated as of March 15, 1995, (collectively, the "Lease"),

with respect to certain space (as more particularly described in the Lease, the
"Premises") in the building (the "Building") known as 300 Park Avenue, New York,

New York; and

B. The parties hereto desire to modify certain provisions of the
Lease as more particularly set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants
hereinafter contained, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined

shall have the meanings ascribed thereto in the Lease.

2. Abatement Period. Notwithstanding anything to the contrary contained

in the Lease, the obligation of Tenant to pay fixed rent under the terms of the
Lease in the amount of \$542,164.50 per month, shall be fully and completely
abated for the full months of (i) August, 1996, (ii) October, 1996, (iii)
December, 1996

and (iv) February, 1997 (collectively, the "Abatement Period") and Tenant shall

have no obligation for the payment of fixed rent for such Abatement Period.
Tenant shall be required to pay all additional rent and other charges (other
than fixed rent) which accrue or are payable during the Abatement Period in the
manner provided for the payment of such charges under the Lease.

3. Lease Modifications. Effective as of the date hereof, the following

modifications are made to the Lease:

A. Section 24.08(a) of the Lease is hereby deleted in its entirety and the
following provisions shall be substituted in its place and stead:

"Section 24.08 (a)(i) Tenant shall promptly and as expeditiously as
practicable perform all work (the "Submeter Work"), including, without

limitation, the installation of submeters and all wiring in connection
therewith, necessary for the submetering of the Premises. Landlord, its
agents and consultants shall have the right to be present in the Premises
to observe the installation and testing of the Submeter Work. Landlord
shall not unreasonably withhold consent to the final plans and
specifications for the Submeter Work, provided that they are substantially
consistent with the preliminary plans and specifications, as submitted to
Landlord on August 2, 1996 (the "Preliminary Plans"), and provided that
the final plans and specifications will not affect any other tenant or
other tenant's space in any manner not indicated in the preliminary plans.
After completion of the installation and initial testing of the Submeter
Work, either party at its own expense shall, during the Initial Term or
the New Lease Term, have the right to conduct periodic inspections and
perform reasonable tests of the accuracy of the Submeter Work. During the
Initial Term and the New Lease Term, Tenant shall maintain and keep in
good repair the submetering equipment used in connection with measuring
Tenant's consumption of electrical energy in the Premises. During

the Initial Term and the New Lease Term, Tenant shall pay the reasonable, actual third party fees and expenses for the submeter readings and billings for electrical energy furnished to the Premises. Landlord shall permit its wires, risers, conduits, feeders and switchboards, to the extent available, suitable and safely capable, to be used by Tenant for such purposes. Landlord shall take all such actions as shall be reasonably required by Tenant to expedite the performance and completion of the Submeter Work, provided nothing herein contained shall require Landlord to expend any sums for, or obligate Landlord to install, new wires, risers, conduits, feeders and/or switchboards in order to permit the Submeter Work to be completed. All costs and expenses of the Submeter Work, including Landlord's reasonable, actual third party costs, if any, incurred in connection with the preceding sentence, shall be paid by Tenant (including the periodic, but not full time, observation by such third parties of the installation and initial testing of the Submeter Work conducted by Tenant), and therefore shall not be included as part of the Base Building Improvements or included in the calculation of the Improvements Sum. All Submeter Work shall be conducted without material interference with any other tenant of the Building. Nothing herein contained shall be construed to obligate Landlord (1) to disturb the enjoyment of any other tenant's premises or (2) to violate any term or provision of any other tenant's lease. Regarding the preliminary plans for the Submeter Work, Landlord represents that it has no knowledge of any work that would disturb the enjoyment of any other tenant's premises or violate any term or provisions of any other tenant's lease, provided that the installation of a submeter solely affects a floor leased exclusively by Tenant.

- (ii) In connection with the Submeter Work, Landlord hereby approves (i) American Power Technologies, Inc. as Tenant's electrical engi-

neer and contractor to perform the Submeter Work and (ii) the Preliminary Plans. Tenant agrees that the final plans and specifications will indicate that the submeters will record "time of day".

(iii) It is the intention of the parties hereto that electrical energy to each floor comprising the Premises and all equipment situated therein, including the fan rooms therein but excluding other equipment installed and maintained by Landlord which services the building systems and/or common areas generally and not the Premises specifically (excluding the fan rooms, the "Landlord Equipment") shall be submetered to such a degree

that with the exception of the Landlord Equipment there is no electrical energy running to the Premises other than through the submeters. Any determination that a portion of the Premises or any equipment located therein (other than the Landlord Equipment) is not susceptible of submetering shall be made by mutual agreement of the parties, acting in good faith. In the event such circumstances exist, Landlord and Tenant hereby agree to cause an electrical survey of the Premises to be undertaken by a professional surveyor mutually satisfactory to Landlord and Tenant and at their shared expense as expeditiously as possible after the New Electric Date (as hereinafter defined). The results of such survey, upon acceptance by both parties hereto, shall be utilized to establish the calculation of Landlord's annual cost of electrical service supplied to any areas of each floor in the Premises which are not subject to Tenant's submeters, as established by such survey ("Landlord's Electric

Factor"). If the parties are unable to reconcile such survey in accordance

with the provisions of Section 24.02(f)(ii) hereof, then the dispute shall be resolved in accordance with the provisions of Article 29 hereof. The parties agree that Landlord's Electric Factor will be determined by applying the "average cost" methodology described in Section 24.08(b) hereof to the

consumption determined by the survey referred to above."

B. Section 24.08(b) of the Lease is hereby deleted in its entirety and the following provision shall be substituted in its place and stead:

"Section 24.08(b)(i) The parties intend that Tenant's consumption of and coincident demand for electrical energy shall be measured according to the requirements of this Section 24.08(b). From and after the date that the Submeter Work is completed and the submetering of the Premises is effective, following mutually satisfactory testing of each submeter and the Submeter Work confirmed by each party in writing (the "New Electric

Date"), Landlord shall furnish electrical energy to the Premises, and

Tenant shall pay to Landlord for such electrical energy consumed in the Premises an amount equal to the sum of:

(1) the product obtained by multiplying (x) the Average Cost per KWH On-peak (as hereinafter defined) by (y) the total number of on-peak kilowatt hours ("KWH") consumed by Tenant for the applicable period as registered on the

applicable submeter(s); plus

(2) the product obtained by multiplying (x) the Average Cost per KWH Off-peak (as hereinafter defined) by (y) the total number of off-peak KWH consumed by Tenant for the applicable period as registered on the applicable submeter(s); plus

(3) the product obtained by multiplying (x) the Average Cost per KW (as hereinafter defined) by (y) the total number of kilowatts ("KW") consumed by

--
Tenant for the applicable period as registered on the totalizer based on coincident demand.

"For purposes hereof, Average Cost is defined as follows:

(a) the "Average Cost per KWH On-peak" shall mean (x) the actual cost to

Landlord (including the taxes imposed thereon) appearing on the utility company bill

for each corresponding period for all on-peak KWH divided by (y) the total

number of on-peak KWH appearing on such utility company bill;

(b) the "Average Cost per KWH Off-peak" shall mean (x) the actual cost to

Landlord (including the taxes imposed thereon) appearing on the utility company
bill for each corresponding period for all off-peak KWH divided by (y) the total

number of off-peak KWH appearing on such utility company bill; and

(c) the "Average Cost per KW" shall mean (x) the actual cost to Landlord

(including the taxes imposed thereon) appearing on the utility company bill for
each corresponding period for all KW divided by (y) the total number of KW

appearing on such utility company bill.

An example of the foregoing calculation is attached hereto as Exhibit A

and made a part hereof.

(ii) Tenant shall have the right to accompany Landlord's personnel during
readings of the submeter(s) measuring Tenant's consumption and coincident demand
of electricity in the Premises, and Landlord shall notify Tenant of each reading
at least two (2) Business Days prior to the date thereof. Landlord shall conduct
such readings of the submeters to coincide as close as practicable with the
reading of the Building's meters conducted by the public utility furnishing
electricity to the Building and Tenant shall have the right to accompany the
public utility personnel conducting such meter readings. Landlord further agrees
and covenants to furnish Tenant promptly upon request from time to time with
copies of meter readings and any bills, materials, statements and other
information relating to the furnishing of electrical energy to the Premises and
the common areas of the Building. Landlord shall not be obligated to deliver to
Tenant copies of any invoices, statements or other materials relating to the
cost of, or payments for, supplying electrical energy to other tenants' premises
in the Building. Landlord covenants that it will not for itself, and will not
permit any tenant in the Building to, "tie-in" or connect the measurement of
electric usage from any space in the Building to the submeters measuring
Tenant's consumption of electricity in the Premises.

(iii) From and after the New Electric Date, Tenant shall have no further obligation to pay the Adjusted Electric Rent Inclusion Factor (other than such amounts as may be due in respect of the period prior to the New Electric Date) and shall pay additional rent in respect of electrical energy in accordance with this Section 24.08(b).

(iv) From and after the date hereof, until the occurrence of the New Electric Date, Tenant shall continue to pay to Landlord the Adjusted Electric Rent Inclusion Factor; provided, however, that commencing with the rental payment due July 1, 1996, notwithstanding anything to the contrary contained in (i) the Lease, or (ii) that certain Tolling Agreement dated as of March 16, 1996, by and between Landlord and Tenant (the "Tolling Agreement"), the Adjusted

Electric Rent Inclusion Factor shall be \$1.80/sq.ft., or \$72,288.60 per month. Notwithstanding the foregoing, (i) in the event that the New Electric Date has not occurred on or before December 31, 1996 (as such date may be extended for each day of delay caused by Landlord), then, for any portion of the premises not yet submetered, the Adjusted Electric Rent Inclusion Factor shall revert back to \$2.00/sq. ft. (i.e., \$80,318.77 per month with respect to all of the Premises),

as set forth in the Tolling Agreement, from January 1, 1997 (as such date may be extended for each day of delay caused by Landlord) until the occurrence of the New Electric Date and (ii) in the event that the New Electric Date has not occurred on or before June 30, 1997 (as such date may be extended for each day of delay caused by Landlord), then, for any portion of the premises not yet submetered, the Adjusted Electric Rent Inclusion Factor shall be increased to \$2.10/sq. ft. (i.e., \$84,336.70 per month with respect to all of the Premises),

from July 1, 1997 (as such date may be extended for each day of delay caused by Landlord) until the occurrence of the New Electric Date. For purposes of calculating the fixed rent adjustment described in Section 24.08(b)(v) hereof, the phrase "then Adjusted Electric Rent Inclusion Factor" shall mean \$1.80/sq. ft., or \$2.00/sq. ft., or \$2.10 sq. ft., as provided in this subparagraph, and in either case as adjusted in accordance with the terms of this subparagraph. The Adjusted Electric Rent Inclusion Factor of \$1.80/sq. ft. and the Adjusted Electric Rent Inclusion Factor of \$2.00/sq. ft. and the Adjusted Electric Rent Inclusion Factor of \$2.10/sq. ft. are each subject to ad-

justment by way of increases or decreases in accordance with the provisions of the Lease. As of July 1, 1996, Tenant acknowledges and agrees to the adjustment reflected in the July invoice and, subject to Tenant's review and confirmation, to documented invoices noting adjustments which may take effect from time to time for the period in which Tenant shall be obligated to pay the Adjusted Electric Rent Inclusion Factor. Tenant agrees that it shall promptly provide Landlord with written notice of any delays caused by Landlord with respect to the occurrence of the New Electric Date.

(v) In the Initial Term, upon the occurrence of the New Electric Date (i) Tenant shall pay to Landlord, monthly, as additional rent hereunder, an amount equal to one-twelfth of Landlord's Electric Factor (if any), (ii) the fixed rent payable under the Lease shall be decreased on a per square foot basis (based on the current calculation of 481,924 for the rentable square footage of the Premises) by an amount equal to the then Adjusted Electric Rent Inclusion Factor, and (iii) Tenant shall have no further obligation to pay the Adjusted Electric Rent Inclusion Factor (other than such amounts as may be due in respect of the period prior to the New Electric Date).

(vi) In the New Lease Term (for any period subsequent to the New Electric Date), Tenant shall pay to Landlord, monthly, as additional rent hereunder, an amount equal to one-twelfth of (i) Landlord's Electric Factor and (ii) 50% of Tenant's Proportionate Share of the Applicable Common Area Electric Cost (as hereinafter defined).

(vii) As promptly as possible, Landlord and Tenant shall cause an electrical survey of the common areas of the Building to determine the "Base Common Area Electric" (as hereinafter defined) to be undertaken by a professional survey or mutually satisfactory to Landlord and Tenant and at their shared expense. The results of such survey, upon acceptance by both parties hereto, shall be utilized to establish calculation of the annual cost, on a per square footage basis based on the square footage to take effect on the New Lease Commencement Date, in 1994 of electrical service supplied by Landlord to the common areas of the Building (the "Base Common

Area Electric"). The "Applicable Common Area Electric Cost" for any Operational

Year shall equal the sum of (1) the Base Common Area Electric and (2) the appropriate adjustment thereto to reflect (x) any material alteration or material addition to or reduction in the common area equipment and machinery, (y) any material increase or decrease of the usage of electricity in the common areas, and (z) any increase or decrease in Landlord's costs or expenses for, or in connection with, the furnishing by it of electricity to the common areas of the Building which shall be due to any change in the rates charged by the public utility or to any change in taxes based on the amounts charged by the public utility. The parties hereto understand and agree that the electrical energy supplied to the fan rooms, which is being measured by the submeters as hereinabove provided, shall not be included in the Base Common Area Electric or the Applicable Common Area Cost. If the parties are unable to reconcile the survey of the Base Common Area Electric in accordance with the provisions of Section 24.02(f)(ii) hereof, then the dispute shall be resolved in accordance with the provisions of Article 29 hereof.

(viii) For purposes hereof, common area charges shall not include charges for electricity provided to vacant leasable areas of the Building, or provided for the exclusive use of another occupant of the Building, or which are reimbursable by tenants as overtime charges, rent inclusion or otherwise.

(ix) Landlord shall furnish Tenant each Operational Year with a written detailed statement, in accordance with Section 26.05 (of the Reinstated Escalation Rent Clause, as defined in Section 26 hereof), showing the calculation of the Applicable Common Area Electric Cost, and Tenant shall have the right to dispute such statement in accordance with Section 26.07 (of the Reinstated Escalation Rent Clause). Landlord and Tenant shall have the right to resurvey from time to time in accordance with the provisions hereof."

C. Section 33.01 of the Lease is hereby deleted in its entirety and the following provisions shall be substituted in its place and stead:

"Section 33.01. Landlord covenants and agrees that if at any time during the term of this Lease, Land-

lord should propose to dispose of the Land or Building or both, either by sale, or lease or other conveyance or if Landlord should propose to sell, transfer, assign or otherwise convey or dispose of any stock or interest in 300 Park Avenue, LLC or in any entity which directly or indirectly owns or controls 300 Park Avenue, LLC, or in any other ownership entity to which the Land and/or the Building or limited liability company shall have been transferred pursuant to the provisions hereof (except as provided below), Landlord shall, prior to such disposition, offer in good faith, in writing, to dispose of the Land or Building or both or such stock or interest, as the case may be, to Tenant for all cash or all cash above any existing mortgage(s) other than those which by their terms must be satisfied in the event of a disposition, and give Tenant at least thirty (30) days to accept said offer. Tenant may accept such offer by written notice to Landlord, whereupon the offer and acceptance will constitute a contract between them. Notwithstanding the foregoing, any such sale, transfer, assignment, conveyance or other disposition of the Building and/or the Land and/or such stock or interest (a) under the Last Will and Testament of Ruth Uris, who died on March 19, 1996, or (b) by gift or by legacy, to members of the immediate family of Ruth Uris (which shall be limited to her lineal descendants) or (for no consideration) to trusts for their benefit or trusts for the benefit of a charity or charities or (c) by transfers from one legatee of Ruth Uris (or such legatee's trust) to another legatee of Ruth Uris (or such legatee's trust), provided that any such transfer shall be for no consideration except in the case of a transfer to an immediate family member of Ruth Uris, as limited above, shall not be subject to Tenant's right of first refusal under this Section 33.01."

- D. Section 33.02 of the Lease is hereby deleted in its entirety and the following provision shall be substituted in its place and stead:

"Section 33.02. If Tenant does not accept an offer made by Landlord pursuant to Section 33.01 above, Landlord shall thereafter be entitled during a period of two (2) years from the date of such offer

to sell or lease the Land and the Building or either of them or such stock or interest, as the case may be, to others on such terms and conditions as Landlord, in its uncontrolled discretion, may desire, except that the sales price payable for all cash above any existing mortgage(s) shall be at least ninety-five (95%) percent of the price specified in the notice to Tenant given pursuant to Section 33.01. If the Land or Building or both, or such stock or interest, as the case may be, are not so disposed of by Landlord within two (2) years from the date of such offer, the provisions of Section 33.01 above shall again come into effect as to any future disposition."

E. The following provision shall be added to the Lease following Section 33.03:

"Section 33.04 Landlord agrees and covenants that either a legend containing the transfer restrictions and the right of first refusal described above shall be placed on any certificates or instruments of conveyance representing any such stock or interest, as the case may be, in 300 Park Avenue, LLC or such restrictions shall be set forth in the organizational documentation of 300 Park Avenue, LCC or any such successor or assignee."

F. The term "Accrued Sum" in the next to last line in Section 16(d) of the Second Supplement is hereby deleted and the term "Accrued Interest" shall be substituted in its place and stead.

G. The following provision shall be added to the Second Supplement following Section 16(d):

"(e) Within thirty (30) days following the Date of Substantial Completion, whether or not the holder of the Loan shall elect thereafter at any time to consolidate any of the Loan, the Additional Loan and any other loan secured by the Premises (the "Consolidation"), Landlord and Tenant shall confirm in writing the calculation of the aggregate sum of (1) the Improvement Sum, (2) the Project Management Cost and (3) the Cost of Financing (collectively, the "Aggregate Construction Sum") and

the calculation of Tenant's Loan Payment, Tenant Share and installment payments of Accrued Interest, if any, all of which shall be deemed payable as additional rent in accordance with the provisions of Article 1 of the Lease. Such multiple calculations shall indicate the aggregate amount of each monthly payment and the amounts thereof which represent principal and interest, based on the self-liquidating amortization schedules described in Section 16(b) relating to Tenant's Loan Payment and in Section 16(c) relating to Tenant Share and Accrued Interest (collectively, the "Amortization Schedules"). The Amortization Schedules for payment of the Aggregate Construction Sum shall be in substitution of Landlord's delivery of a monthly payment notice from the holder of the Loan. Tenant shall pay the Aggregate Construction Sum in monthly installments, in arrears, together with Tenant's monthly installment of fixed rent, effective on the first day of the first calendar month following the Date of Substantial Completion, and together with so much of any interest payable by Landlord as shall be allocable to the Aggregate Construction Sum, whether under the Loan or the Consolidation (in either instance according to the Amortization Schedules), all as additional rent during the Initial Term and the New Lease Term and such obligation shall continue notwithstanding the Consolidation, in whole or in part, or the prepayment of the Loan, or any or all of the foregoing.

4. Lender's Consent. Landlord shall promptly submit this Agreement to the

Comptroller of the State of New York, as trustee for the Common Fund ("Lender") for its consent. The form of such consent shall be substantially in the form of Exhibit B attached hereto and made a part hereof. Landlord and Tenant agree to

cooperate with Lender in responding to reasonable requests from Lender for information with respect to the matters contained herein. Landlord shall give prompt notice to Tenant of its receipt of any such approval or disapproval by Lender.

5. Broker. Landlord and Tenant severally represent and warrant to the

other that it has not consulted or negotiated with any broker or finder with regard to this Agreement. Landlord and Tenant agree to indemnify and hold the other party harmless from any damages, costs and expenses suffered by the other party by reason of any breach of the foregoing representation.

6. Ratification of Lease. The Lease, as amended by this Agreement, shall

continue to be in full force and effect and is hereby ratified and confirmed in all respects. From and after the date hereof, any reference to the Lease shall mean the Lease as amended by this Agreement.

7. Binding Effect. This Agreement shall be binding upon and inure to the

benefit of the parties hereto and their respective successors and permitted assigns.

8. Governing Law. This Agreement shall be governed in all respects by the

laws of the State of New York applicable to agreements executed in and to be performed wholly within said State.

9. Modification in Writing. This Agreement shall not be modified orally,

but only by a writing executed by both Landlord and Tenant.

10. Counterparts. This Agreement may be executed in multiple

counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. Facsimile signatures on this agreement shall be binding with the same effect as original signatures.

11. Construction. This Third Supplemental Agreement shall be construed

without regard to any presumption or other rule requiring construction against the party causing this Third Supplemental Agreement to be drafted.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Agreement as of the day and year first above written.

LANDLORD:

300 PARK AVENUE, LLC

By: _____
Name:
Title:

TENANT:

COLGATE-PALMOLIVE COMPANY

By: _____
Name:
Title:

EXHIBIT A

COLGATE BILL

A. Average Landlord Cost per Kwh On peak (on peak \$)

(on peak kwh)
From Con Ed bill multiplied by Colgate metered on peak kwh

B. Average Landlord Cost per Kwh Off peak (off peak \$)

(off peak kwh)
From Con Ed bill multiplied by Colgate metered off peak kwh

B. Average Landlord Cost per KW (Demand) (KW \$)

(KW Demand)
Equals Average Cost per KW multiplied by Colgate demand

A+B+C = Colgate bill

EXHIBIT B
FORM OF LENDER'S CONSENT

October __, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Comptroller of the State of New York,
as Trustee of the Common Retirement Fund
633 Third Avenue, 31st Floor
New York, New York 10017-6754
Attention: Michael F. Reilly

Re: Lease, dated as of August 15, 1978 between 300 Park Avenue, LLC
(successor in interest to The Bank of New York, as Trustee under the
Will of Harold D. Uris, deceased), as Landlord, and Colgate-Palmolive
Company, as Tenant, for Premises at 300 Park Avenue (as amended by
First Supplemental Agreement, dated as of January 1, 1989, and Second
Supplemental Agreement, dated as of March 15, 1995, the "Lease")

Gentlemen:

In connection with the resolution of over-payments by Tenant of
electric energy rental payments under the Lease, Landlord and Tenant have
entered into the Third Supplemental Agreement to Lease, dated as of June 13,
1996 (the "Third Supplemental Agreement"). (A copy of the fully executed Third
Supplemental Agreement is included herewith.)

In accordance with Paragraph 5 of the Subordination, Non-Disturbance
and Attornment Agreement, dated as of May 11, 1995, by and between the
Comptroller of the State of New York, as trustee of the Common Retirement Fund
("Mortgagee"), and Tenant, Landlord respectfully requests the consent of
Mortgagee to the Third Supplemental Agreement.

Michael F. Reilly
October __, 1996
Page 2

To acknowledge such consent, kindly arrange to have a signatory for Mortgagee sign this letter in the space provided below and return a copy of the signed letter to the attention of Joseph J. Onufrak, Esq. of Donovan Leisure Newton & Irvine via telecopy at (212) 632-3321.

Please feel free to call Mr. Onufrak at (212) 632-3025 if you have any questions with regard to the enclosed.

Very truly yours,

300 PARK AVENUE, LLC

By: _____
Name: Roy A. Weydig
Title: Manager

Accepted and Consented to:

COMPTROLLER OF THE STATE OF NEW YORK,
AS TRUSTEE OF THE COMMON RETIREMENT FUND

By: _____
Name:
Title:

Enclosures

COLGATE-PALMOLIVE COMPANY
PENSION PLAN FOR OUTSIDE DIRECTORS
AS AMENDED AND RESTATED
Effective October 9, 1997

Article I

PURPOSE

The purpose of the Plan, which was first adopted effective April 1, 1983, is to assist the Company in attracting and retaining qualified individuals to serve as Outside Directors by providing such individuals with a competitive level of pension benefits.

Article II
DEFINITIONS

As used in the Plan, the following terms shall have the meanings set forth below:

2.1 "Board" shall mean the Board of Directors of the Company.

2.2 "Change of Control" shall mean the happening of any of the following events:

(a) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto (the "Exchange Act")) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (1) the then outstanding shares of the common stock, par value \$1.00 per share of the Company (the "Outstanding Company Common Stock"), or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (i) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (ii) any acquisition by the Company, (iii) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (iv) any acquisition by any corporation pursuant to a transaction which complies with clauses (1), (2) and (3) of subsection (c) of this Section 2.2; or

(b) A change in the composition of the Board such that the individuals who, as of February 17, 1994, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 2.2, that any individual who becomes a member of the Board subsequent to February 17, 1994, whose election, or nomination for election by the Company's stockholders, was

approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(c) The approval by the stockholders of the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Corporate Transaction"); excluding; however, such a Corporate Transaction pursuant to which (1) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding Common Stock and outstanding Company voting securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the outstanding Common Stock and outstanding Company voting securities, as the case may be, (2) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction and (3) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(d) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

2.3 "Committee" shall mean the committee referred to in Article V.

2.4 "Company" shall mean Colgate-Palmolive Company and any person, firm or corporation which may hereafter succeed to the interests of the Company by merger consolidation or otherwise.

2.5 "Disability" shall mean an illness or other incapacity which qualifies an Outside Director for disability benefits under the Social Security Act or which the Board or Committee determines precludes such Outside Director from fully discharging his or her responsibilities as a member of the Board.

2.6 "Electing Outside Director" shall mean an Outside Director who is eligible to elect to have the terms of this Plan continue to apply to him or her after December 31, 1996, and who so elects, according to the terms of Section 4.1(a).

2.7 "Non-Electing Outside Director" shall mean an Outside Director who is not eligible to make the election pursuant to Section 4.1(a) or if eligible, does not so elect.

2.8 "Outside Director" shall mean a member of the Board who is not, nor at any time has been, an employee of the Company or any of its subsidiaries.

2.9 "Pension Benefit" shall mean the pension benefit determined in accordance with Section 4.3.

2.10 "Pension Replacement Account" shall mean the account established for the benefit of a Non-Electing Outside Director pursuant to Section 4.3(c) upon termination of this Plan with respect to such Non-Electing Outside Director in accordance with Article III.

2.11 "Plan" shall mean the Colgate-Palmolive Company Pension Plan for Outside Directors, as amended from time to time.

2.12 "Retainer" shall mean the retainer determined in accordance with Section 4.3(a).

2.13 "Retired Outside Director" shall mean an Outside Director who retired and began receiving a Pension Benefit prior to June 30, 1996, an Electing Outside Director who has satisfied the eligibility requirements of Section 4.1 for a Pension Benefit, or a Non-Electing Outside Director who has satisfied the eligibility requirements of Section 4.1 for a Pension Replacement Account.

2.14 "Service" shall mean all periods of service as an Outside Director (including any such periods prior to April 1, 1983) whether or not such service is continuous.

Article III PARTICIPATION

Each Outside Director who has joined the Board on or prior to January 1, 1996, shall participate in the Plan, subject to its termination as of December 31, 1996 with respect to any Non-Electing Outside Director.

Article IV
PENSION BENEFITS

4.1 Eligibility for Pension Benefits or Pension Replacement Account

(a) Each Outside Director who as of May 1, 1997, is within five years of the stipulated retirement age set forth in Section 13(A) of the Company's By-Laws may elect to remain covered by the terms of this Plan beyond December 31, 1996, and through the date of his or her retirement from the Board, in accordance with this Section 4.1. Such election must be made no later than June 30, 1996, by written notice to the Committee. Each Outside Director who is eligible to make such election and who so elects hereafter shall be referred to as an "Electing Outside Director" and shall be eligible to receive a Pension Benefit under this Plan pursuant to the terms of Sections 4.1 (b) through (e) below.

Each Outside Director who is not eligible to make such an election or if eligible, does not so elect, hereafter shall be referred to as a "Non-Electing Outside Director" and, shall be eligible to have a Pension Replacement Account eligible on his or her behalf upon termination of this Plan with respect to him or her and shall be eligible ultimately to receive the balance in such account, in accordance with the terms of this Section 4.1 and Section 4.3 below.

(b) Each Outside Director who has completed nine years of Service and who retires from the Board by reason of age in accordance with the provisions of the Company's By-Laws, as amended from time to time, shall be eligible upon such retirement for a Pension Benefit, if an Electing Outside Director, or to receive the balance credited to a Pension Replacement Account, if a Non-Electing Outside Director.

(c) Each Outside Director who has completed five years of Service and who retires from the Board by reason of Disability shall be eligible upon such retirement for a Pension Benefit, if an Electing Outside Director, or for the balance credited to a Pension Replacement Account, if a Non-Electing Outside Director.

(d) If a Non-Electing Outside Director who has completed five years of Service dies before he or she retires from the Board, the balance credited to his or her Pension Replacement Account shall be payable to the beneficiary he or she has designated prior to the Non-Electing Outside Director's death.

(e) Each Outside Director who has completed nine years of Service and who retires from the Board other than by reason of age or Disability, but with the written approval of the Committee, shall be eligible for a Pension Benefit, if an Electing Outside Director, or the balance credited to a Pension Replacement Account, if a Non-Electing Outside Director, upon attaining the age at which his or her retirement

from the Board would have been required in accordance with the Company's By-Laws in effect at the time of his or her retirement.

4.2 Commencement of Pension Benefits or Payments from Pension Replacement

Account

(a) A Retired Outside Director's Pension Benefit (if an Electing Outside Director) or the payment of the balance credited to the Pension Replacement Account (if a Non-Electing Outside Director) shall commence as of the first day of the calendar quarter next following the date he or she becomes a Retired Outside Director. The balance credited in the Pension Replacement Account shall be paid in accordance with Section 4.3.

(b) If a former Outside Director returns to membership on the Board, the Pension Benefit (if a former Electing Outside Director) or the remaining unpaid balance credited to his or her Pension Replacement Account (if a former Non-Electing Outside Director) that is or may become payable to him or her shall cease to be payable for so long as he or she continues to be a member of the Board. Upon subsequent retirement, the Pension Benefits to which a former Electing Outside Director is or may become entitled shall be redetermined pursuant to this Article IV on the basis of the Company's By-Laws and a Retainer not exceeding that described in Section 4.3(a). If a former Non-Electing Outside Director, the remaining unpaid balance of his or her Pension Replacement Account, if any, shall be payable.

4.3 Amount and Form of Pension Benefit; Pension Replacement Account

(a) A Retired Outside Director's Pension Benefit, if a former Electing Outside Director or an Outside Director who retired prior to June 30, 1996, shall be an annual cash benefit equal to 100% of the Retainer paid to him or her while an Outside Director for the twelve months immediately preceding his or her retirement from the Board; provided, however, that for purposes of determining the size of the Pension Benefit of an Electing Outside Director who retires on or after May 1, 1997, the Retainer shall be deemed not to exceed the sum of \$18,000 plus 275 shares of Company common stock.

"Retainer" shall mean all cash and property paid to an Outside Director for services as an Outside Director, other than stock options granted and gains realized in cash or property upon the exercise of such options, fees for attendance at meetings of the Board and any committees thereof, fees for service on any committee of the Board and reimbursement of expenses.

All property paid as part of the Retainer shall be valued by the Committee at fair market value on the date of payment. In the case of Company common stock, fair market value shall be the average of the high and low prices per share of the

Company's common stock as listed in the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national securities exchange on which the Company's common stock is listed or on NASDAQ, for the day on which the Outside Director is deemed to have received such stock. In the absence of a reported sale, the average between the high and the low prices on the most recent date on which a sale was reported shall be used.

(b) The Pension Benefit of a Retired Electing Outside Director shall be payable in equal quarterly installments for his or her lifetime only. No death or other survivor benefits are payable under the Plan.

(c) In connection with the termination of this Plan as of December 31, 1996 with respect to any Non-Electing Outside Director according to the terms of Article III above, there shall be established a Pension Replacement Account as of such date. The opening balance credited to the Pension Replacement Account shall be based upon a cash amount necessary to provide a stream of future payments to the Retired Non-Electing Outside Director that is substantially equivalent to the Pension Benefit accrued under this Plan through December 31, 1996 (the "Accrued Amount"). The Accrued Amount shall be determined according to a procedure developed by the Plan's outside advisors and approved by the Committee, as set forth on Appendix A hereto.

The Pension Replacement Account shall be denominated in shares of Company common stock. The opening balance shall be a credit equal to the number of shares of such stock that could have been purchased with the Accrued Amount at the average of the closing prices thereof on each business day during the immediately preceding month. As of any dividend record date for the Company common stock, the Pension Replacement Account will be credited with additional shares equal to the number of shares of Company common stock that could have been purchased, at the closing price of such shares on such date, with the amount that would have been paid as dividends on that number of shares (including fractions of a share) then attributed to the participant's Pension Replacement Account. In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Committee.

At the Committee's option, a "rabbi trust" may be established with an independent trustee, and shares of Company common stock transferred thereto on behalf of each Non-Electing Outside Director in an amount corresponding to the balance in his or her Pension Replacement Account at the time of transfer. Thereafter, any dividends paid on shares of Company common stock held in the rabbi trust will also be deposited to the trust account and will be reinvested by the trustee in Company common stock and held there until the date for payment of each of the one or more remaining equal annual installments of the balance in the Pension Replacement Account, as the Non-Electing Outside Director shall have specified by his election pursuant to this Section 4.3(c).

Commencing the first day of the quarter following the Retired Non-Electing Outside Director's retirement, the Pension Replacement Account shall be payable in Common Shares in up to ten (10) equal annual installments or, at his or her election made before June 30, 1996, in one installment payable as soon as feasible following retirement. If the Retired Non-Electing Outside Director dies prior to having received all annual installments, then the balance in the Pension Replacement Account shall be payable to the beneficiary designated by the Retired Non-Electing Outside Director prior to his or her death in accordance with procedures established by the Committee.

Article V
ADMINISTRATION

5.1 Except as provided in Section 5.2, the Committee shall mean the Committee on Directors of the Board or any successor committee of the Board. The Committee shall have full power and authority to administer the Plan, including the power to (i) promulgate forms to be used with respect to the Plan, (ii) promulgate rules of Plan administration, (iii) settle any disputes as to rights or benefits arising from the Plan, (iv) interpret the Plan and (v) make such decisions or take such action as the Committee, in its sole discretion, deems necessary or advisable to aid in the proper administration of the Plan. Any decision made by the Committee shall be final and binding on all persons.

5.2 Following a Change of Control, the Committee shall be the Committee as constituted immediately prior to the Change of Control with such changes in the membership thereof as may be approved from time to time following the Change of Control by a majority of the members of such Committee as constituted at the applicable time. The Company shall have no right to appoint members to or to remove members from the Committee following a Change of Control.

Article VI
FINANCING

The obligation to pay pension benefits or the balance in a Pension Replacement Account under the Plan shall constitute a general obligation of the Company in accordance with the terms of the Plan. A Director shall have only an unsecured right to payment thereof out of the general assets of the Company.

Article VII
MISCELLANEOUS

7.1 Right to Amend or Terminate. The Board reserves the right at any time and

from time to time to modify, suspend, amend, or terminate the Plan in whole or
in part; provided, however, that no such action shall adversely affect the
rights under the Plan of any Outside Director or former Outside Director who has
nine or more years of Service, or any Retired Outside Director.

7.2 Board Member Relationships. Nothing in the Plan shall give or be deemed to

give any Board member the right to be continued as a member of the Board, to
modify or affect the terms of Board membership or to interfere with the right of
stockholders of the Company to elect members of the Board.

7.3 Nonalienation of Benefits. To the extent permitted by law, no Pension

Benefits or Pension Replacement Account balance payable under the Plan shall be
subject in any manner to anticipation, alienation, sale, transfer, assignment,
garnishment, pledge or encumbrance. Any attempt to anticipate, alienate, sell,
transfer, assign, attach, pledge or encumber the same shall be void, and no
Pension Benefits or Pension Replacement Account balance payable under the Plan
shall be in any manner liable or subject to the debts, contracts, liabilities,
engagements or torts of any Outside Director or former Outside Director,
including any Retired Outside Director.

7.4 Payments to Incompetents. If a Retired Outside Director is deemed by the

Committee or is adjudged to be legally incapable of giving valid receipt and
discharge for the Pension Benefit or Pension Replacement Account balance to
which he or she is entitled, such Pension Benefit or Pension Replacement Account
balance shall be paid to such person(s) as the Committee may designate or to a
duly appointed guardian. Any such payment shall be in complete discharge of the
liability of the Plan and the Company to the Retired Outside Director.

7.5 Benefit of Plan. The Plan shall be binding upon and shall inure to the

benefit of the Outside Directors, their heirs and legal representatives and the
Company and its successors. The term "successor" shall mean any person, firm,
corporation or other business entity that, at any time, whether by merger,
acquisition or otherwise, acquires all or substantially all of the stock, assets
or business of the Company.

7.6 Applicable Law. The Plan shall be subject to and construed in accordance

with the laws of the State of Delaware, without regard to the conflict of law
principles thereof.

COLGATE-PALMOLIVE COMPANY
STOCK PLAN FOR NON-EMPLOYEE DIRECTORS
EFFECTIVE JANUARY 1, 1997

1. Purpose. The purpose of the Colgate-Palmolive Company Stock Plan for Non-Employee Directors (the "Plan") is to attract and retain qualified persons to serve as directors of Colgate-Palmolive Company, a Delaware corporation (the "Company"), to enhance the equity interest of directors in the Company, to solidify the common interests of its directors and stockholders, and to encourage the highest level of director performance by providing them with a proprietary interest in the Company's performance and progress, by crediting them annually with shares of the Company's Common Stock, par value \$1.00 per share (the "Common Stock"). This Plan shall supersede the Company's Stock Purchase Plan for Non-Employee Directors and the Stock Compensation Plan for Non-Employee Directors, both of which shall terminate on the effective date of this Plan.

2. Effective Date and Term. The Plan shall be effective as of January 1, 1997, provided that it is approved by the stockholders at the Annual Meeting that occurs in 1996. The Plan shall remain in effect until terminated by action of the Board of Directors of the Company (the "Board").

3. Participation. All Non-Employee Directors shall participate in the Plan. The term "Non-Employee Director" means any individual who is a member of the Board as of January 1, 1997, or who becomes a member of the Board thereafter during the term of the Plan and in each case during such periods as he or she is not a full-time employee of the Company or any of its subsidiaries.

4. Administration; Amendment. (a) The Plan will be administered by the Employee Relations Committee of the Company (the "Committee"), the members of which are appointed from time to time by the Board, which shall have full power and authority to interpret and construe the Plan, to establish, amend and rescind rules and regulations relating to the Plan, and to take all such actions and make all such determinations in connection with the Plan as it may deem necessary or desirable.

(b) The Board may from time to time make such amendments to the Plan as it may deem proper and in the best interest of the Company without further approval of the Company's stockholders, unless and to the extent required to qualify transactions under the Plan for exemption under Rule 16b-3 ("Rule 16b-3") promulgated under Section 16 of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act").

(c) Subject to the above provisions, the Board shall have authority, without stockholder approval, to amend the Plan to take into account changes in law and tax and accounting rules as well as other developments, including without limitation, new rules which may be promulgated under Section 16 of the Exchange Act, as amended from time to time, and to grant awards which qualify for beneficial treatment under such rules.

5. Shares. (a) Each Non-Employee Director shall receive compensation at the rate of 1,300 shares of Common Stock per year. However, each Non-Employee Director who has elected, prior to the effective date hereof, to continue to participate in the Colgate-Palmolive Company Pension Plan for Outside Directors as Amended and Restated effective May 2, 1996, shall receive compensation at the rate of 1,050 shares of Common Stock of the Company per year. Payments shall be made annually on the third business day following the date of the public announcement of the Company's annual sales and earnings. Either authorized but unissued or Treasury shares shall be used for this purpose. The shares paid pursuant to this Plan shall be in addition to any other compensation to which a Non-Employee Director may be entitled. Each Non-Employee Director will be required to represent that the shares are to be held for investment purposes and not with a view to or for resale or distribution except in compliance with the Securities Act of 1933, as amended from time to time (the "Securities Act") and to

give a written undertaking, in form and substance satisfactory to the Company, that he or she will not publicly offer or sell or otherwise distribute the shares other than (i) in the manner and to the extent permitted by Rule 144 of the Securities and Exchange Commission under the Securities Act, (ii) pursuant to any other exemption from the registration provisions of the Securities Act or (iii) pursuant to an effective registration statement.

(b) If an individual becomes a Non-Employee Director during a calendar year, he or she shall receive for that year the number of shares equal to the product of (i) the number of shares to which he or she would have been entitled to under Section 5(a) had he or she been a Non-Employee Director for the full calendar year, and (ii) the fraction obtained by dividing (x) the number of calendar months during such calendar year that such person was a Non-Employee Director by (y) 12; provided, that for purposes of the foregoing a partial calendar month shall be treated as a whole month. Payments for such an individual shall be made on the third business day following the date of the next public announcement of the Company's sales and earnings.

6. Adjustments In the event of any change in the Common Stock of the Company, through the declaration of stock dividends, through recapitalization resulting in stock split-ups or combinations of shares, or as the result of similar events, appropriate adjustments shall be made by the Committee in the number and kind of shares to be paid pursuant to the Plan.

7. Election to Defer Shares. (a) Each Non-Employee Director may make an irrevocable election on an annual basis to defer receipt of all or part of the shares granted under this Plan (the "Deferral Election"). In order to make a Deferral Election pursuant to this Section 7(a), a Non-Employee Director must deliver to the Secretary of the Company a written notice of the Deferral Election setting forth the number of shares to be deferred on such form as may be prescribed by the Committee. The Deferral Election may also specify that the Non-Employee Director elects to receive distribution of his or her Director's Trust Account (as defined below) in accordance with Section 7(c) in a lump sum (a "Lump Sum Delivery Election"), or in installments over a period of less than ten years (a "Specific Installment Election"). The written notice of the Deferral Election must be delivered no later than the December 31 prior to the commencement of the calendar year to which the Deferral Election relates. In the case of individuals who become Non-Employee Directors during a calendar year, this notice must be delivered within thirty days after the date on which the individual becomes a Non-Employee Director. The Deferral Election made pursuant to this Section 7(a) shall remain in effect for subsequent years unless a subsequent different Deferral Election is permitted and made in accordance with this Section 7(a).

(b) The Committee may establish a trust for the benefit of the Non-Employee Directors on such terms and conditions as the Committee shall determine (the "Plan Trust"), the assets of which shall be subject to the claims of the Company's creditors. All shares deferred pursuant to this Section 7 shall be delivered to the Plan Trust and shall be credited to the account of each Non-Employee Director in accordance with his or her Deferral Election (the "Director's Trust Account"), and held for delivery in accordance with the terms of this Plan; and all earnings of a Director's Trust Account (including without limitation dividends on shares held therein) shall be reinvested by the trustee in Common Stock.

(c) All distributions from a Director's Trust Account under the Plan Trust shall be made to the Non-Employee Director (or, in the event of an eligible Non-Employee Director's death, his or her designated beneficiary) in ten annual installments commencing as soon as practicable following the cessation of his or her services as a Non-Employee Director. However, if the Non-Employee Director has in effect a valid Lump Sum Delivery Election or a valid Specific Installment Election pursuant to Section 7(a), such distributions shall be made in a lump sum, or in the specified number of installments, as the case may be, commencing as soon as practicable following the cessation of his or her services as a Non-Employee Director. Distributions will be made in shares unless the Committee otherwise determines, in accordance with the terms of the Plan Trust. If such shares are to be distributed in installments, such installments shall be equal, provided, that if in order to equalize such installments, fractional shares would have to be delivered, such installments shall be adjusted by rounding to the nearest whole share. If any such shares are to be delivered after the Non-Employee Director has died or become legally incompetent, the

Committee shall deliver promptly all remaining undelivered shares to the Non-Employee Director's designated beneficiary or legal guardian, respectively. References to a Non-Employee Director in this Plan shall be deemed to refer to the Non-Employee Director's designated beneficiary or legal guardian, where appropriate.

(d) Nothing in the Plan or the Plan Trust shall confer on any individual any right to continue as a director of the Company or interfere in any way with the right of the Company to terminate the individual's service as a director at any time.

(e) A Non-Employee Director shall be entitled to early distribution of all or part of his or her Director's Trust Account in the event of an "Unforeseeable Emergency", in accordance with this paragraph. An "Unforeseeable Emergency" means severe financial hardship to the Non-Employee Director resulting from a sudden and unexpected illness or accident of the Non-Employee Director or a dependent of the Non-Employee Director, loss of the Non-Employee Director's property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Non-Employee Director. A distribution pursuant to this paragraph may only be made to the extent reasonably needed to satisfy the emergency need, and may not be made if such hardship is or may be relieved (i) through reimbursement or compensation by insurance or otherwise, (ii) by liquidation of the Non-Employee Director's assets to the extent such liquidation would not itself cause severe financial hardship, or (iii) by cessation of participation in the Plan prospectively. The determination of whether and to what extent a distribution is permitted pursuant to this paragraph shall be made by the Committee.

8. Election to Receive Cash. Each Non-Employee Director may make an annual irrevocable election to receive cash in lieu of shares of Common Stock granted under, and not deferred pursuant to Section 7 of, this Plan, in an amount not to exceed the amount needed to satisfy tax obligations related to the grant (the "Cash Election"), subject to and under the applicable rules and regulations promulgated from time to time by the Employee Relations Committee pursuant to Section 4(a) of this Plan. In order to make a cash election pursuant to this Section 8, a Non Employee Director must deliver to the Secretary of the Company a written notice of the Cash Election setting forth the amount of shares to be distributed in the form of cash. The written notice of Cash Election must be delivered no later than December 31 prior to commencement of the calendar year to which the Cash Election relates, or such later date as may be permitted by the Committee and as permitted under Rule 16b-3. The amount of cash received pursuant to a Cash Election shall be equal to the mean between the high and low prices of the Common Stock on the New York Stock Exchange composite tape (the "Fair Market Value") on the third business day following the date of the public announcement of the Company's annual sales and earnings multiplied by the amount of shares set forth in the Cash Election.

9 Purchase of Shares. (a) Subject to Section 9(b), each Non-Employee Director may make an irrevocable election to use all or a stated percentage (in increments of 25%) of his or her non-deferred cash compensation as a Non-Employee Director (including non-deferred retainer fees as a committee chairman, if applicable, to be earned during the forthcoming calendar year and attendance fees earned during the current year) to have purchased Common Stock on his or her behalf (the "Share Purchase Election"). The maximum amount of compensation that may be used by a Non-Employee Director in any year to purchase shares under this Plan shall not exceed \$100,000.00. In order to make a Share Purchase Election pursuant to this Section 9(a), a Non-Employee Director must deliver to the Secretary of the Company a written notice setting forth the percentage (in increments of 25%) of the Non-Employee Director's total non-deferred cash compensation to be used to purchase Common Stock of the Company. All shares of Common Stock of the Company purchased pursuant to this Section must be held at least until six months have elapsed from the date of such purchase.

(b) It is the intention of this Plan that Non-Employee Directors shall have the ability to make a Stock Purchase Election on an annual basis provided that such annual Stock Purchase Election would not cause the Plan or transactions under the Plan to fail to comply with Rule 16b-3. Subject to the preceding limitation, a Non-Employee Director may make a Stock Purchase Election on an annual basis no later than the December 31 prior to the commencement of the calendar year to which the Stock Purchase Election relates, or such later date as may be

permitted by the Committee and as may be permitted under Rule 16b-3. Any Stock Purchase Election made pursuant to Section 9(a), shall remain in effect for subsequent calendar years unless a subsequent different Stock Purchase Election is permitted and made in accordance with this Section, which subsequent Stock Purchase Election shall then be applied to subsequent calendar years.

(c) All purchases of Common Stock under the Plan shall be made either on the open market or issued out of treasury stock of the Company on the third business day following the date of release of the Company's annual sales and earnings. Shares issued by the Company shall be priced at the Fair Market Value on such date. Brokerage fees and any other transaction costs related to open market purchases shall be paid by the Company. Shares purchased pursuant to this Section 9 shall be registered in the name of and delivered to the Non-Employee Director. Adjustments will be paid in cash for any fractional shares.

10. Deferral of Certain Transactions. Any transaction effected pursuant to this Plan that is deemed to be a "Discretionary Transaction" (as defined in Rule 16b-3) that occurs within six months of an "opposite way" discretionary transaction (as described in Rule 16b-3(f) thereunder) is automatically voided and will be deferred until six months have elapsed from the date of the most recent "opposite way" discretionary transaction under any Plan of the Company.

COLGATE-PALMOLIVE COMPANY
RESTATED AND AMENDED DEFERRED
COMPENSATION PLAN FOR NON-EMPLOYEE DIRECTORS,
as amended October 9, 1997

The purpose of the Deferred Compensation Plan for Non-Employee Directors is to assist Colgate-Palmolive Company (the "Company") in attracting and retaining qualified individuals to serve as directors and provide directors with increased flexibility in timing the receipt of fees owing to them for service on, and attending meetings of, the Company's board of directors (the "Board") and committees thereof.

The Plan shall be effective, as amended and restated herein, as of October 9, 1997.

ARTICLE 1. DEFINITIONS

Whenever used in the Plan, the following terms shall have the meaning set forth or referenced below:

(a) "Business Day" means a day except for a Saturday, Sunday or a legal holiday.

(b) "Closing Price" means the closing price of the Common Stock as reported in the New York Stock Exchange Composite Transactions published in The Wall Street Journal.

(c) "Committee" means the Company's Employees Relations Committee, which is a committee consisting of at least three employees of the Company designated from time to time by the Board.

(d) "Common Stock" means (i) the common stock, \$1.00 par value per share, of the Company, adjusted as provided in Section 2.8, or (ii) if there is a merger or consolidation and the Company is not the surviving corporation thereof, the capital stock of the surviving corporation given in exchange for such common stock of the Company.

(e) "Compensation" means all cash remuneration paid to a Director for services to the Company as a Director, other than reimbursement for expenses, and shall include retainer fees for service on, and fees for attendance at meetings of, the Board and any committees thereof.

(f) "Director" means any individual serving on the Board who is not an employee of the Company or any of its subsidiaries or affiliates.

(g) "Participant" means a Director who has filed an election to participate in the Plan under Section 2.2 of the Plan with regard to any Plan Year, or who has deferred Compensation pursuant to this Plan.

(h) "Plan" means the Colgate-Palmolive Company Restated and Amended Deferred Compensation Plan for Non-Employee Directors.

(i) "Plan Year" means the calendar year.

(j) "Stock Account" means the account which reflects the Compensation deferred by a Participant pursuant to Section 2.2.

(k) "Stock Credit" means a credit to a Participant's Stock Account, calculated pursuant to Section 2.4.

ARTICLE 2. PARTICIPATION IN THE PLAN

2.1 Eligibility. Any Director may participate in the Plan.

2.2 Election to Participate.

(a) Each Director may elect to defer payment of all or any portion (in increments of 25%) of his or her Compensation that is payable during the immediately succeeding Plan Year. Such election must be made by December 31 of the Plan Year preceding the Plan Year in which such Compensation otherwise would be paid.

(b) An election to defer any Compensation under Section 2.2(a) above shall be: (i) in writing, (ii) delivered to the Committee, and (iii) irrevocable. A Director may file a new election each Plan Year applicable to the immediately succeeding Plan Year. If no election or revocation of a prior election is received by December 31 of any Plan Year, the election, if any, in effect for such Plan Year will continue to be effective for the immediately succeeding Plan Year. If a Director does not elect to defer Compensation payable to him during a Plan Year, all such Compensation shall be paid directly to such Director in accordance with resolutions adopted by the Board from time to time.

2.3 Mode of Deferral. All Compensation deferred by a Participant

pursuant to Section 2.2(a) shall be deferred to a Stock Account. The Committee shall maintain such Stock Account in the name of the Participant. Any such election shall be specified in the writing referred to in Section 2.2(b) above that is delivered by the Director to the Committee. Compensation deferred to a Stock Account shall result in Stock Credits.

2.4 Stock Account. The Stock Account of a Participant shall be credited,

as of the date the deferred Compensation otherwise would have been payable to such Participant, with Stock Credits equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased with the amount of such deferred Compensation at the average of the Closing Prices of shares of Common Stock on each Business Day during the month immediately preceding the month in which such Stock Account is so credited. As of the date of any dividend record date for the Common Stock, the Participant's Stock Account shall be credited with additional Stock Credits equal to the number of shares of Common Stock (including fractions of a share) that could have been purchased, at the Closing Price of shares of Common Stock on such date, with the amount which would have been paid as dividends on that number of shares (including fractions of a share) of Common Stock which is equal to the number of Stock Credits then attributed to the Participant's Stock Account. In the case of dividends paid in property other than cash, the amount of the dividend shall be deemed to be the fair market value of the property at the time of the payment of the dividend, as determined in good faith by the Committee.

2.5 Distribution of Stock Account.

(a) Distribution of a Participant's Stock Account shall commence in accordance with such Participant's election, provided, however, that no such distribution of any Stock Credits shall commence until six months after the date a Participant's Stock Account has been credited with such Stock Credits. If the date elected by a Participant for commencement of such distribution is not a Business Day, such distribution shall commence on the next succeeding Business Day.

(b) A Participant shall elect the number of annual installments (from one through ten) in which his or her Stock Account shall be paid. The Committee shall distribute such Stock Account in accordance with such election or, if no such election is made, in a single installment. Such payment or payments shall be in amounts determined pursuant to Section 2.6 below, and shall be made on the date specified pursuant to Section 2.5(a) above, and such date of each succeeding Plan Year as applicable.

(c) A Participant's elections referred to in paragraphs (a) and (b) above must be in writing and be delivered to the Committee with such Participant's election pursuant to Section 2.2. Unless such elections are made irrevocable by their terms, a Participant, at any time on or before December 1 of the Plan Year preceding the Plan Year in which distribution of such Participant's Stock Account is to commence, may request that such elections be changed. Such request must be in writing and must be delivered to the Committee prior to such December 1. The Committee shall have the sole discretion to permit or deny such request.

(d) Distribution of a Participant's Stock Account shall be made only in shares of Common Stock .

2.6 Installment Amount. The amount of each installment with respect to

such Participant's Stock Account shall be equal to the product of the number of Stock Credits attributable to such installment and the average of the Closing Prices of shares of Common Stock on each Business Day in the month immediately prior to the month in which such installment is to be paid. The number of Stock Credits attributable to an installment shall be equal to the product of the current number of Stock Credits attributed to such Stock Account and a fraction, the numerator of which is one and the denominator of which is the number of installments yet to be paid.

2.7 Severe Financial Hardship. Notwithstanding any other Section of this

Article 2, at the written request of a Participant or a Participant's legal representative, the Committee, in its sole discretion upon a finding that continued deferral will result in severe financial hardship to the Participant, may authorize (i) the payment of all or a part of a Participant's Stock Account in a single installment prior to his or her ceasing to be a Director or (ii) the acceleration of payment of any multiple installments thereof.

2.8 Adjustment. If at any time the number of outstanding shares of Common

Stock shall be increased as the result of any stock dividend, stock split, subdivision or reclassification of shares, the number of Stock Credits with which each Participant's Stock Account is then credited shall be increased in the same proportion as the outstanding number of shares of Common Stock is increased. If the number of outstanding shares of Common Stock shall at any time be decreased as the result of any combination, reverse stock split or reclassification of shares, the number of Stock Credits with which each Participant's Stock Account is then credited shall be decreased in the same proportion as the outstanding number of shares of Common Stock is decreased. In the event the Company shall at any time be consolidated with or merged into any other corporation and holders of shares of Common Stock receive shares of the capital stock of the resulting or surviving corporation, there shall be credited to each Participant's Stock Account, in place of the Stock Credits then credited thereto, new Stock Credits in an amount equal to the product of the number of shares of capital stock exchanged for one share of Common Stock upon such consolidation or merger and the number of Stock Credits with which the Participant's Stock Account is then credited. If in such a consolidation or merger holders of shares of Common Stock shall receive any consideration other than shares of the capital stock of the resulting or surviving corporation or its parent corporation, the Committee, in its sole discretion, shall determine the appropriate change in the Participants' Stock Account.

2.9 Distribution upon Death. Notwithstanding any other provision of this

Plan, upon the death of a Participant the Committee shall pay all of such Participant's Stock Account in a single installment to such person or persons or the survivors thereof, including corporations, unincorporated associations or trusts, as the Participant may have designated. All such designations shall be made in writing and delivered to the Committee. A Participant may from time to time revoke or change any such designation by written notice to the Committee. If there is no designation on file with the Committee at the time of the Participant's death, or if the person or persons designated therein shall have all predeceased the Participant or otherwise ceased to exist, such distributions shall be made to the executor or administrator of the Participant's estate. Any distribution under this Section 2.9 shall be made as soon as practicable following the end of the calendar quarter in which the Committee is notified of the Participant's death or is satisfied as to the identity of the appropriate payee, whichever is later.

2.10 Withholding Taxes. The Company shall deduct from all distributions

under the Plan any taxes required to be withheld by federal, state, or local governments.

ARTICLE 3. THE COMMITTEE

3.1 Authority. The Committee shall have full power and authority to

administer the Plan, including the power to (a) promulgate forms to be used with respect to the Plan, (b) promulgate rules of Plan administration, (c) settle any disputes as to rights or benefits arising from the Plan, (d) interpret the terms of the Plan and (e) make such decisions or take such action as the Committee, in its sole discretion, deems necessary or advisable to aid in the proper administration of the Plan. Any decision made by the Committee shall be final and binding on the Company, Participants and their heirs or successors.

3.2 Operation. The Committee may act (a) by majority vote of its members

meeting in person or by telephone or (b) by consent in writing signed by all members of the Committee. Two members of the Committee shall constitute a quorum for the transaction of business at a meeting.

3.3 Elections, Notices. All elections and notices required to be provided

to the Committee under the Plan must be in such form or forms prescribed by, and contain such information as is required by, the Committee.

ARTICLE 4. MISCELLANEOUS

4.1 Funding. No promise hereunder shall be secured by any specific

assets of the Company, nor shall any assets of the Company be designated as attributable or allocated to the satisfaction of such promises.

4.2 Non-alienation of Benefits. No benefit under the Plan shall be

subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any attempt to do so shall be void. No such benefit, prior to receipt thereof pursuant to the provisions of the Plan, shall be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant.

4.3 Delegation of Administrative Duties. The Committee may delegate its

powers and duties under the Plan to officers and employees of the Company. Any such delegation shall be in writing.

4.4 Governing Law. This Plan shall be governed by the laws of the State

of Delaware.

4.5 Amendment, Modification and Termination of the Plan. The Committee

at any time may terminate and in any respect amend or modify the Plan; provided, however, that no such termination, amendment or modification shall adversely affect the rights of any Participant or beneficiary, including his rights with respect to Stock Credits credited prior to such termination, amendment or modification, without his consent.

4.6 Successors and Heirs. The Plan and any properly executed elections

hereunder shall be binding upon the Company and Participants, and upon any assignee or successor in interest to the Company and upon the heirs, legal representatives and beneficiaries of any Participant.

4.7 Status of Participants. Stock Credits are not, and do not

constitute, shares of Common Stock, and no right as a holder of shares of Common Stock shall devolve upon a Participant by reason of his participation in the Plan.

4.8 Use of Terms. The masculine includes the feminine and the plural

includes the singular, unless the context clearly indicates otherwise.

4.9 Statement of Accounts. In February of each Plan Year, each

Participant in the Plan during the immediately preceding Plan Year shall receive a statement of his Stock Account under the Plan as of December 31 of such preceding Plan Year. Such statement shall be in a form and contain such information as is deemed appropriate by the Committee.

4.10 Deferral of Certain Transactions. Any transaction effected pursuant

to the Plan that is deemed to be a "Discretionary Transaction" as defined in Rule 16b-3(b) under the Securities Exchange Act of 1934, as amended, that occurs within six months of an "opposite way" discretionary transaction (as described in Rule 16b-3(f) thereunder) is automatically voided and will be deferred until six months have elapsed from the date of the most recent "opposite way" discretionary transaction under any Plan of the Company.

COLGATE-PALMOLIVE COMPANY
1987 STOCK OPTION PLAN
As amended November 1, 1996

Section 1. Purpose -- The purpose of the Colgate-Palmolive Company 1987 Stock Option Plan (the "Plan") is to promote the interests of Colgate-Palmolive Company (the "Company") and its stockholders by (a) providing incentives for executives and other key employees, (b) encouraging stock ownership by such employees by providing them with a means to acquire a proprietary interest in the Company, and (c) aiding in attracting and retaining executives of the caliber necessary for the continued growth and profitability of the Company.

Section 2. Administrative -- The Plan shall be administered by a Committee (the "Committee") consisting of not less than two directors of the Company to be appointed from time to time by the Board of Directors. Each member of the Committee shall be a "Non-Employee Director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended. The Committee shall administer and interpret the Plan and may establish and amend rules and regulations therefor. The Committee shall select participants and determine the amounts, times, forms, terms and conditions of grants. Any decision made or action taken by the Committee arising out of or in connection with the interpretation or administration of the Plan shall be final and conclusive. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan.

Section 3. Grants -- (a) Grants under the Plan may be in the form of options to purchase shares of the Company's common stock, stock appreciation units and equity units. Limited rights, as described in section 12, may also be granted. Options, stock appreciation units, equity units and limited rights are herein called "stock incentives". Stock incentives may be granted from time to time under the Plan for up to an aggregate of 20,000,000 shares of common stock of the Company plus the number of shares (not to exceed 1,000,000 shares) that were available, but not used, under the Company's 1977 Stock Option Plan. Either authorized but unissued shares or reacquired shares may be used for grants. The Company may purchase shares required for this purpose. The number of shares of common stock available under the Plan shall be reduced by the number of shares subject to options and, if stock appreciation units and equity units are granted other than in conjunction with options, the number of stock appreciation units and equity units granted, and increased by the number of shares subject to options that terminate or are cancelled other than as a result of the exercise of a stock incentive granted in conjunction with such options and the number of stock appreciation units and equity units granted in conjunction with options, that terminate or are cancelled. In no event will the determination of the number of shares available be calculated in a manner inconsistent with applicable laws and regulations as in effect from time to time.

(b) The Committee, in its discretion, may, from time to time, implement, amend or terminate a stock option replacement feature to the Plan, as provided for herein (the "Stock Option Replacement Feature"). When implemented, the Stock Option Replacement Feature shall provide that if a Participant exercises an option or a portion

thereof by using shares of common stock in payment of the option price (which shares shall have been owned by the Participant for at least six (6) months), the Participant shall, without further action by the Committee, be granted a new option (a "Replacement Option") to purchase shares of common stock equal to the number of shares of common stock used in payment of the exercise price and the number of shares withheld for tax in respect of the exercise. The grant of the Replacement Option shall occur, simultaneous with the exercise of the option in accordance with the conditions hereof, and shall have an option price equal to the fair market value of the common stock on the date of grant of the Replacement Option.

A Replacement Option (a) shall not be exercisable until at least six months after the date of grant, (b) shall have an expiration date no later than the date on which the original option (with respect to which the Replacement Option was granted) would have expired by its terms, (c) may not be granted more than twice each year to the same Participant, and (d) shall comply with all other provisions of this Plan.

Subject to the foregoing, the Committee shall, in addition to all other powers granted to the Committee under the Plan, have the power to designate (a) the date the Replacement Option shall be exercisable (or become vested), (b) the expiration date of the Replacement Option and (c) any limitations on the frequency of the grants of Replacement Options to any Participant. In addition, the Committee may establish, as a condition to the grant of Replacement Options, a requirement that the recipient agrees not to resell "Excess Shares" (as hereinafter defined) received in connection with such grant for a period of time not to exceed two years. As used herein, "Excess Shares" shall mean the number of shares received upon exercise of the option (with respect to which the Replacement Option was granted) in excess of the number of shares tendered as payment for such exercise.

Section 4. Participation -- Employees eligible for stock incentives shall be selected by the Committee from time to time from among those executives and other key employees of the Company and its subsidiaries who are in a position to contribute materially to the success of the Company.

Section 5. Conditions -- (a) Stock incentives may be evidenced by stock incentive agreements, which shall be subject to the applicable provisions of the Plan and contain such other provisions as the Committee shall determine from time to time. A stock incentive may be exercised at one time or in such installments over the balance of the exercise period as may be provided in the stock incentive agreement.

(b) The option price per share shall be not less than the Fair Market Value of the common stock on the date each option is granted.

(c) The Committee may permit the voluntary surrender of all or a portion of any stock incentive to be conditioned upon the granting of a new stock incentive.

(d) In the event of a Change of Control of the Company, then notwithstanding any provision of this section or of any provision of any stock incentive agreements to the contrary, all stock options, stock appreciation units and equity units which have not terminated and which are then held by any participant shall, as of such Change of Control, become immediately exercisable (subject, however, to the restrictions on surrender of stock appreciation units and equity units for cash as set forth in paragraph (c) of section 9) without regard to the exercise period specified in any relevant stock incentive agreement.

Section 6. Exercise of stock Incentives -- (a) Subject to paragraph (a) of Section 5, each stock incentive will be exercisable in whole or in part from time to time, prior to its cancellation or termination, by written notice to the Company specifying the number of shares or units, as the case may be, with respect to which it is being exercised. If any option is being exercised, such notice shall be accompanied by payment in full of the purchase price by cash or check or in other form acceptable to the Committee, including shares of common stock of the Company or partly in cash or check and partly in such shares, except that the Committee may, from time to time, impose limits and conditions on the use of such shares for payment. The Committee may alternatively permit, under such terms and conditions as it may establish from time to time, payment methods for option exercises which will enable a participant to pay the exercise price of an option, and any applicable withholding taxes, from the proceeds of the sale of shares received as a result of the exercise of such option. Certificates for shares to be received upon the exercise of stock incentives will be delivered in regular course. Fractional shares will not be issued. No stock options may be exercised by a participant who is subject to Section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act") within six months from the date of grant thereof, except in the event of death or disability of the participant prior to the expiration of such six month period.

(b) Except as provided in section 16(h), a stock incentive may be exercised during the life-time of the participant only by the participant and after his or her death only by the persons to whom the stock incentive has been transferred by will or by laws of descent and distribution. Stock incentives are not otherwise transferable. Stock appreciation units granted with respect to incentive stock options may be exercised only when the Fair Market Value of the common stock subject to the related option exceeds the exercise price thereof.

(c) Upon the exercise of one or more stock appreciation units granted in conjunction with a stock option, such option shall be cancelled with respect to an equal number of shares and an equal number of equity units granted in conjunction therewith, if any, shall be cancelled. Upon the exercise of one or more equity units granted in conjunction with a stock option, such option shall be cancelled with respect to an equal number of shares and an equal number of stock appreciation units granted in conjunction therewith, if any, shall be cancelled. Upon the exercise of a stock option for one or more shares, an equal

number of stock appreciation units and an equal number of equity units granted in conjunction therewith, if any, shall be cancelled.

Section 7. Use of Proceeds -- Proceeds, if any, from the exercise of options pursuant to the Plan will be used for general corporate purposes.

Section 8. Termination of Stock Incentives -- Each stock incentive will terminate upon the earlier of (a) or (b) below.

(a) The date fixed by the Committee when the stock incentive is granted as set forth in the relevant stock incentive agreement.

(b) Termination of employment or, to the extent the stock incentive was then exercisable, three months after the participant's termination of employment, except as follows:

(i) If the participant dies while an employee, or within three months after termination of employment, the stock incentive may be fully exercised (whether or not the stock incentive was fully exercisable), at any time or from time to time within three years after the date of death.

(ii) If the participant retires after attaining age 65, or earlier with the consent of the Company, or if employment is terminated by disability, the stock incentive may be fully exercised (whether or not the stock incentive was fully exercisable, unless provided otherwise in the stock incentive agreement) within three years after the date of such retirement or termination.

(iii) If the Committee determines that the stock incentive may be exercised (whether or not it was fully exercisable) for a longer period of time.

Notwithstanding anything hereinabove to the contrary, if a participant's employment is terminated for cause, his or her ability to exercise the stock incentive shall terminate on the date of termination of employment. For this purpose, the determination of the Committee as to whether employment was terminated for cause shall be final.

Section 9. Stock Appreciation Units and Equity Units -- (a) Stock appreciation units and equity units may be granted on a "free-standing" basis or in conjunction with all or a portion of the shares covered by an option, either at the time of stock grant of the option or at any time thereafter during the term of the option.

(b) Each stock appreciation unit and each equity unit shall entitle the holder thereof to elect, prior to its cancellation or termination, to exercise such stock appreciation unit or equity unit and receive either cash or shares of common stock or both, as the Committee may determine, in an aggregate amount equal in Fair Market Value on the date of such election to the following:

(i) In the case of a stock appreciation unit, the excess, if any, of the Fair Market Value of a share of common stock on the date of such election over the Fair Market Value of a share of common stock on the date of grant of the stock appreciation unit.

(ii) In the case of an equity unit, the remainder of (A) the sum of the dividend equivalents credited under paragraph (d) plus the Equity Per Share on the date of exercise minus (B) the Equity Per Share on the date of grant. The number of shares which may be issued upon exercise of an equity unit may not exceed the number of equity units exercised and the balance will be payable in cash, subject to the terms of the Plan.

(c) Stock appreciation units or equity units may be exercised only as provided under their terms. In addition, the following provisions shall apply:

(i) No stock appreciation units or equity units may be exercised by a participant who is subject to Section 16(b) of the Exchange Act within six months from the date of grant thereof, except in the event of death or disability of the participant prior to the expiration of the six months.

(ii) Stock appreciation units or equity units may be surrendered for cash only during the period beginning on the third business day following the date of release of a summary statement of the Company's quarterly or annual sales and earnings and ending on the twelfth business day following such date of release. Payment of such cash may be deferred by the participant subject to such terms and conditions as may be prescribed by the Committee.

(iii) The Committee may disapprove an election to surrender any stock appreciation unit or equity unit for cash in full or partial settlement thereof.

(iv) In the event the Committee disapproves, in whole or in part, an election by a participant to surrender any stock appreciation unit or equity unit for cash, such disapproval shall not effect the participant's right to surrender the stock appreciation unit or equity unit currently for shares of common stock or at a later date for shares or cash, or his or her right to exercise the options currently or at a later date, to the extent otherwise exercisable, provided that any subsequent surrender for cash shall be similarly subject to the Committee's approval.

(d) Each equity shall be credited with an amount equal to dividends paid per share of common stock as of each record date from the date of grant of the equity unit until the date of exercise. Unless the Committee determines otherwise, dividend equivalents shall be paid only in accordance with paragraph (b) (ii) of this section.

Section 10. Incentive Stock Options -- Each option granted under the Plan which is intended to be an incentive stock option as defined in Section 422A of the United States Internal Revenue Code shall be so designated. The aggregate fair market value (determined as of the time such option is granted) of the stock with respect to which

incentive stock options granted after 1986 are exercisable for the first time by such individual during any calendar year after 1986 under any option plan of his or here employer corporation and its parent and subsidiary corporation shall not exceed \$100,000.

Section 11. Loans -- The Company may make loans to such participants as the Committee, in its discretion, may determine (including a participant who is a director or officer of the Company) in connection with the exercise of options granted under the Plan in an amount up to the exercise price of the option to be exercised plus any applicable withholding taxes. In no event may any such loan exceed the Fair Market Value, at the date of exercise, of the shares covered by the option, or portion thereof, exercised by the participant. Such loans shall be subject to such terms and conditions as the Committee shall determine. Every loan shall comply with all applicable laws, regulations and rules of the Federal Reserve Board and any other governmental agency having jurisdiction.

Section 12. Limited Rights -- (i) A limited right may be awarded by the Committee in connection with any option granted under the Plan with respect to all or some of the shares of common stock covered by such related option. A limited right may be granted either at the time the option is granted or thereafter at any time prior to the cancellation, exercise, forfeiture, termination or expiration of the option. A limited right may be exercised only during the thirty-day period beginning on a Change of Control of the Company. In addition, each limited right which has not terminated and which is then held by a participant shall be exercisable whether or not the related option is exercisable.

(ii) Upon the exercise of limited rights, the participant shall receive in cash an amount equal to the product computed by multiplying (a) the excess of (X) the highest Fair Market Value per share of common stock during the thirty-day period ending on the date the limited right is exercised over (Y) the option price per share of common stock at which the related option is exercisable by (b) the number of shares of common stock with respect to which the limited right is being exercised. Notwithstanding the foregoing, in the case of a limited right granted in respect of an incentive stock option, the holder may not receive an amount in excess of such amount as will enable such option to qualify as an incentive stock option.

(iii) Upon exercise of a limited right, such related option and any related stock appreciation unit and equity shall cease to be exercisable to the extent of the shares of common stock with respect to which such limited right is exercised. Upon the exercise or termination of a related option, the limited right with respect to such related option shall terminate to the extent of the shares of common stock with respect to which the related option was exercised or terminated.

Section 13. Foreign Stock Incentives -- The Committee may grant options to key employees who are subject to the tax laws of nations other than the United States, which options may have terms and conditions that differ from other options granted under the Plan for the purposes of complying with the foreign tax laws. The Committee may grant stock

appreciation units, equity units and limited rights to key employees without the grant of an accompanying option if the key employees are subject at the time of grant to the laws of a jurisdiction that prohibits them from owning common stock. The units and rights shall permit the key employees to receive cash at the time of any exercise of such units or rights.

Section 14. Adjustments -- In the event of any change in the common stock, through the declaration of stock dividends, through recapitalization resulting in stock split-ups or combinations of shares, or as the result of similar events, appropriate adjustment, to be determined by the Committee, shall be made in the number of shares subject to the Plan, in the number of shares and price per share of all shares subject to outstanding stock incentives and in the Fair Market Value or Equity Per Share on the date from which any increase therein is measured under stock appreciation units, equity units or limited rights. In the case of equity units, the Committee may make such adjustment to the computation of equity per share as the Committee deems equitable, in light of whether or not the grantee is entitled to the most recent dividend and whether or not the equity of the applicable balance sheet reflects the debiting of such dividend.

Section 15. Definitions -- (a) A Change of Control shall be deemed to have taken place upon (i) the acquisition by a third person, including a "group" as defined in Section 13(d) (3) of the Securities Exchange Act of 1934 of shares of the Company having 30% or more of the total number of votes that may be cast for the election of directors of the Company. (ii) shareholder approval of the acquisition of the Company, or substantially all of its assets, by another entity or of a merger, reorganization, consolidation or other business combination to which the Company is a party or (iii) the election during any period of 24 months or less of 50% or more of the directors of the Company where such directors were not in office immediately prior to such period.

(b) Fair Market Value shall be the mean between the high and low prices for the day on the New York Stock Exchange Composite Tape. In the absence of a reported sale, the mean between the high and low prices on the most recent date on which a sale was reported may be used.

(c) Equity Per Share as of any date means the common stockholder's equity, as stated in the most recent publicly available quarterly or annual consolidated balance sheet of the Company, divided by the number of shares of the Company's common stock and common stock equivalents outstanding as of the date of such balance sheet.

Section 16. General Provisions -- (a) No stock incentives may be exercised if such exercise and the receipt of cash or stock thereunder, would be contrary to law or the regulations of any duly constituted authority having jurisdiction over the Plan.

(b) Absence on leave approved by a duly constituted officer of the Company or any of its subsidiaries shall not be considered interruption or termination of service of any employee for any purposes of the Plan, except that no award may be granted to an employee while he or she is absent on leave.

(c) No participant shall have any rights as a stockholder with respect to any shares subject to his or her stock incentives prior to the date as of which he or she is actually recorded as the holder of the common stock covered by such stock incentives upon the stock records of the Company.

(d) Nothing in the Plan or any stock incentive granted hereunder shall confer upon any employee any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company or any of its subsidiaries to terminate his or her employment at any time.

(e) Any agreement may provide that stock issued upon exercise of any stock incentive may be subject to such restrictions, including, without limitation, restrictions as to transferability and restrictions constituting substantial risks of forfeiture, as the Committee may determine at the time such stock incentive is granted.

(f) The obligation of the Company to issue, transfer or deliver common stock under the Plan shall be subject to (a) the effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such issue, transfer or delivery, if deemed necessary or appropriate by counsel for the Company, (b) the condition that the shares of common stock reserved for issuance, if any, shall have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange on which outstanding shares of the same class may then be listed and (c) all other applicable laws, regulations, rules and orders which shall then be in effect.

(g) This Plan, insofar as it provides for cash payments, shall be unfunded, and the Company shall not be required to segregate any assets which may at any time be awarded under the Plan. Any liability of the Company to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations which may be created by this Plan. No such obligation of the Company shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company.

(h) In the event the Committee determines that a participant is incapacitated and unable to exercise stock incentives granted under the Plan, the Committee, in its discretion, may authorize the assignment of the power to exercise such stock incentives to a fiduciary, legal guardian or other individual whom the Committee deems appropriate based on the applicable facts and circumstances.

(i) The Company shall deduct from all payments and distributions under the Plan any taxes required to be withheld by federal, state or local governments. In case distributions are made in shares of common stock, the Company shall have the right to retain the value of sufficient shares to equal the amount of the tax required to be withheld in respect of such distributions. In lieu of withholding the value of shares, the Committee may require a recipient of a distribution in common stock to pay the Company for any such taxes required to be withheld upon such terms and conditions as the Committee may prescribe.

(j) Captions preceding the sections hereof are inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions hereof.

(k) Any transaction effected pursuant to this Plan that is deemed to be a "Discretionary Transaction" as defined in Rule 16b-3(b) under the Securities Exchange Act of 1934, as amended, that occurs within six months of an "opposite way" discretionary transaction (as described in Rule 16b-3(f) thereunder) is automatically voided and will be deferred until six months have elapsed from the date of the most recent "opposite way" discretionary transaction under any Plan of the Company.

Section 17. Amendment and Termination -- The Board of Directors may alter, suspend or terminate the Plan. Except as provided in section 14, the Board may not, however, increase the maximum number of shares which may be issued under the Plan in the aggregate, materially increase the benefits accruing to participants under the Plan or materially modify the requirements regarding eligibility for participation in the Plan or, without the consent of the holder thereof, alter or impair any stock incentive previously granted under the Plan. The Plan will terminate on April 30, 1997. No stock incentive may be granted after the termination of the Plan, but stock incentives previously granted may be exercised in accordance with their terms.

STOCK INCENTIVE AGREEMENT
COLGATE-PALMOLIVE COMPANY

NON-QUALIFIED STOCK OPTION

Dated: November 7, 1997

Mr. Reuben Mark
Colgate-Palmolive Company
300 Park Avenue
New York, NY 10022-7499

Dear Mr. Mark:

This will confirm the following Agreement made as of the above date between you and the Colgate-Palmolive Company (the "Company") pursuant to the Company's 1997 Stock Option Plan, as amended (the "Plan"). If you have not received copies of the Plan and the Plan Prospectus, they are available from the Company at 300 Park Avenue, New York, NY 10022, Attention: Mr. Andrew D. Hendry, Senior Vice President, General Counsel and Secretary.

The Company hereby grants you non-qualified options (the "Options") to purchase from the Company a total of two million, six hundred thousand (2,600,000) shares of common stock of the Company in the amounts, at the exercise prices and on the other terms and conditions set forth below.

The Options will vest and become exercisable on the dates and in the amounts set forth below at the following prices:

Tranche	Number of Shares Optioned	Exercise Price Per Share	Vesting Schedule
1	260,000	10% above FMV	50% immediately 50% on November 7, 1998
2	260,000	20% above FMV	50% immediately 50% on November 7, 1999
3	260,000	30% above FMV	50% immediately 50% on November 7, 2000

Tranche	Number of Shares Optioned	Exercise Price Per Share	Vesting Schedule
4	260,000	40% above FMV	50% immediately 50% on November 7, 2001
5	260,000	50% above FMV	50% immediately 50% on November 7, 2002
6	1,300,000	70% above FMV	50% immediately 50% on November 7, 2002

For the purposes of the above table, Fair Market Value ("FMV") means the FMV on November 7, 1997, which equaled \$62 3/8 per share of common stock.

The Options shall expire at 11:59 p.m. (Eastern Standard Time) on November 6, 2007, except as otherwise provided for herein or, if not so provided, in accordance with the Plan.

To encourage you further to promote the growth of the Company and, consequently, more rapid growth in the value of the common stock of the Company, the Options may expire prior to November 6, 2007 on either of the following dates:

- (a) If the closing price per share of common stock of the Company shall not have equaled or exceeded \$93.5625 (the "50% Hurdle") at least once prior to November 7, 2002, then the term of the Options, to the extent then unexercised, shall automatically expire at 12:01 a.m. (Eastern Standard Time) on November 7, 2002, without any further action on your part or the part of the Company.
- (b) If the closing price per share of common stock of the Company shall not have equaled or exceeded \$106.0375 (the "70% Hurdle") at least once prior to November 7, 2004, then the term of the Options, to the extent then unexercised, shall automatically expire at 12:01 a.m. (Eastern Standard Time) on November 7, 2004, without any further action on your part or the part of the Company.

For the purpose of determining the 50% Hurdle and the 70% Hurdle, closing price shall mean the daily closing price, as reported by the New York Stock Exchange Composite Transactions or other reporting system acceptable to the Personnel and Organization Committee of the Board of Directors of the Company.

Furthermore, in accordance with the determination of the Committee, as permitted under Paragraphs (f), (g) and (h) of Section 5 of the Plan, and anything in those Paragraphs to the contrary notwithstanding, (a) if your employment with the Company and its affiliates shall be involuntarily terminated, including without limitation involuntary retirement, death or Disability, the Options shall continue to vest and be exercisable in

accordance with the provisions of this Agreement for the term provided for above; and (b) if you voluntarily terminate your employment with or voluntarily retire from the Company and its affiliates, only those Options which had vested on or prior to the date of such termination or retirement shall continue to be exercisable in accordance with the provisions of this Agreement and such exercisable Options shall continue to be exercisable for the term provided for above.

In the event of any stock split, recapitalization or any other event referred to in the last paragraph of Section 3 of the Plan, (a) the number and kind of shares and the exercise price per share subject to the Options shall be subject to adjustment as provided in the Plan, and (b) the Committee shall make an appropriate adjustment to the 50% Hurdle and the 70% Hurdle to reflect the effect of such transaction on the market price of the common stock of the Company.

This Agreement and the Options are subject to all the terms, conditions, limitations and restrictions contained in the Plan, except as expressly provided for herein, and may not be assigned or transferred in whole or in part except as therein provided. For example, the Options may be transferred, in whole or in part, under guidelines approved by the Personnel and Organization Committee in accordance with the Plan, to immediate family members, or trusts, partnerships or other legal entities set up for the benefit of immediate family members. All terms which are not defined herein, but which are defined in the Plan, shall have the meanings attributed to them in the Plan. You shall not have any of the rights of a shareholder with respect to any of the shares which are the subject of this Agreement until such shares are actually issued to you.

To confirm the foregoing, kindly sign and return one copy of this Agreement as soon as possible.

Very truly yours,

COLGATE-PALMOLIVE COMPANY

By: _____
Jill K. Conway, Chair
Personnel and Organization
Committee

CONFIRMED:

By: _____
Andrew D. Hendry
Senior Vice President, General
Counsel and Secretary

COLGATE-PALMOLIVE COMPANY

NON-EMPLOYEE DIRECTOR STOCK OPTION PLAN

As amended June 12, 1997

SECTION 1. Purpose; Definitions.

The purpose of the Plan is to provide compensation to Non-Employee Directors in the form of Stock Options.

For purposes of the Plan, the following terms are defined as set forth below:

"Board" means the Board of Directors of the Company.

"Change of Control" and "Change of Control Price" have the meanings set forth in Sections 6(b) and 6(c), respectively.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and any successor thereto.

"Common Stock" means common stock, par value \$1.00 per share, of the Company.

"Company" means the Colgate-Palmolive Company, a Delaware corporation.

"Disability" with respect to a Participant means physical or mental disability, whether total or partial, that prevents the Participant from performing his duties as a member of the Board for a period of six consecutive months.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor thereto.

"Fair Market Value" means as of any given date, the mean between the highest and lowest reported sales prices of the Common Stock on the New York Stock Exchange Composite Tape or, if not listed on such exchange, on any other national exchange on which the Stock is listed or on NASDAQ. If there is no regular public trading market for such Common Stock, the Fair Market Value of the Common Stock shall be determined by the Committee in good faith.

"Non-Employee Director" means a person who as of any applicable date is a member of the Board and is not an officer or employee of the Company or any subsidiary of the Company.

"Participant" means a Non-Employee Director who is granted a Stock Option hereunder.

"Plan" means the Colgate-Palmolive Company Non-Employee Director Stock Option Plan as set forth herein and as hereinafter amended from time to time.

"Retirement" means retirement from active employment under a pension plan of the Company or any of its subsidiaries, or termination of an individual's directorship at or after age 65 with at least nine years of service as a member of the Board.

"Stock Option" means a non-qualified option to purchase shares of Common Stock.

"Termination of Directorship" means the date upon which any Participant ceases to be a member of the Board for any reason whatsoever.

In addition, certain other terms used herein have definitions given to them in the first place in which they are used.

SECTION 2. Administration.

The Plan shall be administered by the Board or by a duly appointed committee of the Board having such powers as shall be specified by the Board. The Board (or such committee) shall have the authority to adopt, alter and repeal such administrative rules, guidelines and practices governing the Plan as it shall, from time to time, deem advisable, to interpret the terms and provisions of the Plan and any Stock Option issued under the Plan (and any agreement relating thereto) and to otherwise supervise the administration of the Plan.

SECTION 3. Stock Subject to Plan

Subject to adjustment as provided herein, the total number of shares of Common Stock of the Company available for grant under the Plan while it is in effect shall be 150,000.

In the event of any merger, reorganization, consolidation, recapitalization, stock dividend, stock split, extraordinary distribution with respect to the Common Stock or other change in corporate structure affecting the Common Stock, the aggregate number of shares of Common Stock reserved for issuance under the Plan and the number and option price of shares of Common Stock subject to outstanding Stock Options shall be appropriately adjusted; provided, however, that the number of shares subject to any Stock Option shall always be a whole number.

SECTION 4. Eligibility.

Only individuals who are Non-Employee Directors are eligible to be granted Stock Options under the Plan.

SECTION 5. Stock Options.

(a) Each Non-Employee Director shall, on the first meeting of the Board following his or her first election as a director of the Company, and thereafter on each 17th of February during such director's term or the first business day thereafter, automatically be granted a Stock Option to purchase 2,000/1/ shares of Common Stock (the "Annual Grant Amount") having an exercise price of 100% of Fair Market Value of the Common Stock at the date of grant of such Stock Option. In the event of any stock split or dividend the number of shares of Common Stock to be awarded annually shall be adjusted by multiplying the Annual Grant Amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such stock split or dividend and the denominator of which is the number of such shares outstanding immediately prior to such event.

(b) In the event that the number of shares of Common Stock available for future grant under the Plan is insufficient to make all automatic grants required to be made on a given

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/1/ Adjusted for 2-1 stock split on May 15, 1997.

date, then all Non-Employee Directors entitled to a grant on such date shall share ratably in the number of Stock Options on shares available for grant under the Plan.

(c) Stock Options granted under the Plan shall be subject to the following terms and conditions in addition to those set forth above:

(i) Option Term. The term of each Stock Option shall be 10 years from the date the Stock Option is granted, subject to earlier termination as provided herein.

(ii) Exercisability. Stock Options shall be exercisable as follows:

(A) beginning on the first anniversary of the date of grant, for up to 33-1/3% of the shares of Common Stock covered by the Stock Option;

(B) beginning on the second anniversary of the date of grant, for up to 66-2/3% of such shares; and

(C) beginning on the third anniversary of the date of grant and thereafter until the expiration of the term of the Stock Option, for up to 100% of such shares.

Notwithstanding the foregoing, a Stock Option held by a Participant shall become immediately exercisable in full upon the death, Disability or Retirement of such Participant.

(iii) Method of Exercise. Subject to the provisions of this Section 5, Stock Options may be exercised, in whole or in part, at any time during the option term by giving written notice of exercise to the Company specifying the number of shares of Common Stock subject to the Stock Option to be purchased.

Such notice shall be accompanied by payment in full of the purchase price by certified or bank check or such other instrument as the Company may accept. Payment in full or in part may also be made in the form of Common Stock already owned by the optionee of the same class as the Common Stock subject to the Stock Option.

No shares of Common Stock shall be issued until full payment therefor has been made. An optionee shall have all of the rights of a stockholder of the Company holding the class or series of Common Stock that is subject to such Stock Option (including, if applicable, the right to vote the shares and the right to receive dividends), when the optionee has given written notice of exercise, has paid in full for such shares and, has given the representation described in Section 9(a).

(iv) Transferability of Stock Options. Stock Options shall be transferable, in whole or in part, by the optionee (1) by will or by the laws of descent and distribution; (2) pursuant to a qualified domestic relations order (as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended, or the rules thereunder); or (3) as otherwise determined by the Board or duly appointed committee of the Board consisting of at least two Non-Employee Directors (provided that no such determination may be made that would cause grants of Stock Options or other transactions under the Plan to fail to be exempt under Section 16(b) of the Exchange Act or fail to qualify as a transaction exempt from registration under the Securities Act of 1933, as amended). Consideration

may not be paid for the transfer of a Stock Option under any of the circumstances described in the preceding sentence. All Stock Options shall be exercisable, subject to the terms of this Plan, during the optionee's lifetime, only by the optionee or by the guardian or legal representative of the optionee, or its alternative payee pursuant to a qualified domestic relations order, or the recipient of a transfer of such Stock Option permitted pursuant to clause (3) of the first sentence of this paragraph, it being understood that the terms "holder" and "optionee" include the guardian and legal representative of the optionee named in the option agreement and any permitted transferee thereof.

(v) Termination by Reason of Death, Disability or Retirement. If a Termination of Directorship occurs by reason of the death, Disability or Retirement of a Participant, any Stock Option held by such Participant may thereafter be exercised for a period of three years from the date of such Termination of Directorship or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(vi) Other Termination. If a Termination of Directorship occurs for any reason other than the death, Disability or Retirement of a Participant, any Stock Option held by such Participant shall thereupon terminate, except that such Stock Option, to the extent then exercisable, may be exercised for the lesser of three months from the date of such Termination of Directorship or the balance of such Stock Option's term; provided, however, that if the optionee dies within such three-month period, any unexercised Stock Option held by such Participant shall, notwithstanding the expiration of such three-month period, continue to be exercisable to the extent to which it was exercisable at the time of death for a period of three years from the date of such death or until the expiration of the stated term of such Stock Option, whichever period is the shorter.

(vii) Limited Cash Out Rights. Notwithstanding any other provision of the Plan, during the 60-day period from and after a Change of Control (the "Exercise Period"), a Participant shall have the right, whether or not a Stock Option is fully exercisable and in lieu of the payment of the exercise price for the shares of Common Stock being purchased under the Stock Option and by giving notice to the Company, to elect (within the Exercise Period) to surrender all or part of the Stock Option to the Company and to receive cash, within 30 days of such notice, in an amount equal to the amount by which the Change of Control Price per share of Common Stock on the date of such election shall exceed the exercise price per share of Common Stock under the Stock Option (the "Spread") multiplied by the number of shares of Common Stock granted under the Stock Option as to which the right granted under this clause (vii) shall have been exercised. Notwithstanding any other provision hereof, if the end of such 60-day period from and after a Change of Control is within six months of the date of grant of a Stock Option held by a Participant who is subject to Section 16(b) of the Exchange Act, such Stock Option shall be canceled in exchange for a cash payment to the Participant, equal to the Spread multiplied by the number of shares of Common Stock granted under the Stock Option, effected on the day which is six months and one day after the date of grant of such Stock Option or on such earlier date as has been previously approved either by (i) the Board, (ii)

a committee of the Board comprised solely of two or more Non-Employee Directors or (iii) the shareholders of the Company. Notwithstanding the foregoing, if any right granted pursuant to this clause (vii) would make a Change of Control transaction ineligible for pooling of interests accounting under APB No. 16 that but for this clause (vii) would otherwise be eligible for such accounting treatment, Common Stock (having a Fair Market Value equal to the cash otherwise payable hereunder) shall be substituted for the cash payable hereunder.

SECTION 6. Change of Control Provisions.

(a) Impact of Event. Notwithstanding any other provision of the Plan to the contrary, in the event of a Change of Control, any Stock Options outstanding as of the date such Change of Control is determined to have occurred and not then exercisable and vested shall become fully exercisable and vested to the full extent of the original grant.

(b) Definition of Change of Control. For purposes of the Plan, a "Change of Control" shall mean the happening of any of the following events:

(i) An acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of 20% or more of either (A) the then outstanding shares of Common Stock of the Company (the "Outstanding Company Common Stock") or (B) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities"); excluding, however, the following: (1) any acquisition directly from the Company, other than an acquisition by virtue of the exercise of a conversion privilege unless the security being so converted was itself acquired directly from the Company, (2) any acquisition by the Company, (3) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company or (4) any acquisition by any corporation pursuant to a transaction which complies with clauses (A), (B) and (C) of subsection (iii) of this Section 6(b); or

(ii) A change in the composition of the Board such that the individuals who, as of February 17, 1994, constitute the Board (such Board shall be hereinafter referred to as the "Incumbent Board") cease for any reason to constitute at least a majority of the Board; provided, however, for purposes of this Section 6(b), that any individual who becomes a member of the Board subsequent to February 17, 1994, whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of those individuals who are members of the Board and who were also members of the Incumbent Board (or deemed to be such pursuant to this proviso) shall be considered as though such individual were a member of the Incumbent Board; but, provided further, that any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the Exchange Act) or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board shall not be so considered as a member of the Incumbent Board; or

(iii) The approval by the stockholders of the Company of a reorganization, merger or consolidation or sale or other disposition of all or substantially all of the assets of the Company ("Corporate Transaction"); excluding, however, such a Corporate Transaction pursuant to which (A) all or substantially all of the individuals and entities who are the beneficial owners, respectively, of the outstanding Common Stock and outstanding Company voting securities immediately prior to such Corporate Transaction will beneficially own, directly or indirectly, more than 60% of, respectively, the outstanding shares of common stock, and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors, as the case may be, of the corporation resulting from such Corporate Transaction (including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets either directly or through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Corporate Transaction, of the outstanding Common Stock and outstanding Company voting securities, as the case may be, (B) no Person (other than the Company, any employee benefit plan (or related trust) of the Company or such corporation resulting from such Corporate Transaction) will beneficially own, directly or indirectly, 20% or more of, respectively, the outstanding shares of common stock of the corporation resulting from such Corporate Transaction or the combined voting power of the outstanding voting securities of such corporation entitled to vote generally in the election of directors except to the extent that such ownership existed prior to the Corporate Transaction and (C) individuals who were members of the Incumbent Board will constitute at least a majority of the members of the board of directors of the corporation resulting from such Corporate Transaction; or

(iv) The approval by the shareholders of the Company of a complete liquidation or dissolution of the Company.

Change of Control Price. For purposes of the Plan, "Change of Control Price" means the higher of (i) the highest reported sales price, regular way, of a share of Common Stock in any transaction reported on the New York Stock Exchange Composite Tape or other national exchange on which such shares are listed or on NASDAQ during the 60-day period prior to and including the date of a Change of Control or (ii) if the Change of Control is the result of a tender or exchange offer or a merger or other similar corporate transaction, the highest price per share of Common Stock paid in such tender or exchange offer or other Transaction; provided, however, that in the case of a Stock Option which (A) is held by an optionee who is subject to Section 16(b) of the Exchange Act and (B) was granted within 240 days of the Change of Control, then the Change of Control Price for such Stock Option shall be the Fair Market Value of the Common Stock on the date such Stock Option is exercised or deemed exercised.

SECTION 7. Stock Option Replacement Feature.

Unless otherwise determined by the Board or a duly appointed committee of the Board, and except as set forth below, with respect to any or all Stock Options at the time of grant or at any time thereafter prior to exercise, (i) the terms and conditions applicable to Stock

Options shall include the stock option replacement feature provided for in this Section 7 (the "Stock Option Replacement Feature"). Under the Stock Option Replacement Feature, if a participant exercises a Stock Option or a portion thereof by using shares of Common Stock in payment of the option price, the participant shall, without further action by the Committee, be granted a new Stock Option (a "Replacement Option") to purchase shares of Common Stock equal to the number of shares of Common Stock used in payment of the exercise price and the number of shares withheld for tax in respect of the exercise. The grant of the Replacement Option shall occur simultaneously with the exercise of the Stock Option in accordance with the conditions hereof, and shall have an option price equal to the Fair Market Value of the Common Stock on the date of grant of the Replacement Option; and

(ii) A Replacement Option (1) shall have an expiration date no later than the date on which the original Stock Option with respect to which the Replacement Option was granted would have expired by its terms, (2) may not be granted more than twice each year to the same participant, (3) shall be exercisable (or become vested) six months from the date of its grant, (4) shall have as a condition to its grant, that the recipient agree not to resell "Excess Shares" received in connection with such grant for a period of two years. As used herein, "Excess Shares" shall mean the number of shares received upon exercise of the option with respect to which the Replacement Option was granted in excess of the number of shares tendered as payment for such exercise, and (5) shall comply with all other provisions of this Plan; and

(iii) the Stock Option Replacement Feature shall only be exercisable by all active Non-Employee Directors and, until September 30, 1997, by retired Non-Employee Directors.

The Board or any duly appointed committee of the Board shall, in addition to all other powers granted under the Plan, have the power to amend or modify any term or condition of, or suspend or eliminate the Stock Option Replacement Feature.

SECTION 8. Term, Amendment and Termination.

The Plan will terminate on December 31, 2004. Under the Plan, Stock Options outstanding as of December 31, 2004 shall not be affected or impaired by the termination of the Plan.

The Board may amend, alter, or discontinue the Plan, but no amendment, alteration or discontinuation shall be made which would (a) impair the rights of an optionee under a Stock Option without the optionee's or recipient's consent, except such an amendment made to cause the Plan to qualify for the exemption provided by Rule 16b-3, or (b) disqualify the Plan from the exemption provided by Rule 16b-3. In addition, no amendment shall be made without the approval of the Company's stockholders to the extent such approval is required by law or agreement.

SECTION 9. General Provisions.

(a) Unless the shares have been registered under the Securities Act of 1933, as amended, each person purchasing or receiving shares of Common Stock pursuant to a Stock Option

shall represent to and agree with the Company in writing that such person is acquiring the shares of Common Stock without a view to the distribution thereof. The certificates for such shares of Common Stock shall include an appropriate legend to reflect the restrictions on transfer.

(b) Nothing contained in the Plan shall prevent the Company or any subsidiary from adopting other or additional compensation arrangements for its Non-Employee Directors.

(c) No later than the date as of which an amount first becomes includible in the gross income of the Participant for Federal income tax purposes with respect to any Stock Option awarded under the Plan, the Participant shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local or foreign taxes of any kind required by law to be withheld with respect to such amount. Withholding obligations may, at the election of the optionee (which election shall be subject to compliance with requirements of Rule 16b-3 under the Exchange Act), be settled with Common Stock, including Common Stock that is part of the Stock Option that gives rise to the withholding requirement. The obligations of the Company under the Plan shall be conditional on such payment or arrangements, and the Company shall, to the extent permitted by law, have the right to deduct any such taxes from any payment otherwise due to the Participant.

(d) The Plan and all Stock Options awarded and actions taken with respect thereto shall be governed by and construed in accordance with the laws of the State of Delaware.

(e) Any transaction effected pursuant to this Plan that is deemed to be a "Discretionary Transaction" as defined in Rule 16b-3(b) under the Securities Exchange Act of 1934, as amended, that occurs within six months of an "opposite way" discretionary transaction (as described in Rule 16b-3(f) thereunder) is automatically voided and will be deferred until six months have elapsed from the date of the most recent "opposite way" discretionary transaction under any Plan of the Company.

SECTION 10. Effective Date of Plan.

The Plan shall be adopted by the Board and be effective on February 17, 1994, subject to approval by the stockholders of the Company. Stock Options may be granted prior to such approval but are contingent upon such approval being obtained.

COLGATE-PALMOLIVE COMPANY
1996 STOCK OPTION PLAN
as amended November 1, 1996

Section 1. Purpose -- The purpose of the Colgate-Palmolive Company 1996 Stock Option Plan (the "Plan") is to promote the interests of Colgate-Palmolive Company (the "Company") and its stockholders by (a) providing incentives for employees, (b) encouraging stock ownership by employees by providing them with a means to acquire a proprietary interest in the Company, and (c) aiding in attracting and retaining employees of the caliber necessary for the continued growth and profitability of the Company.

Section 2. Administration -- The Plan shall be administered by a Committee (the "Committee") consisting of not less than two directors of the Company to be appointed from time to time by the Board of Directors. Each member of the Committee shall be a "Non-Employee Director" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended. The Committee shall administer and interpret the Plan and may establish and amend rules and regulations therefor. The Committee shall select participants and determine the amounts, times, forms, terms and conditions of grants. Any decision made or action taken by the Committee arising out of or in connection with the interpretation or administration of the Plan shall be final and conclusive. No member of the Committee shall be liable for any action or determination made in good faith with respect to the Plan.

Section 3. Grants -- (a) Grants under the Plan may be in the form of options to purchase shares of the Company's common stock, stock appreciation units and equity units. Limited rights, as described in section 12, may also be granted. Options, stock appreciation units, equity units and limited rights are herein called "stock incentives". Stock incentives may be granted from time to time under the Plan for up to an aggregate of 1,800,000 shares of common stock of the Company plus the number of shares. Either authorized but unissued shares or reacquired shares may be used for grants. The Company may purchase shares required for this purpose. The number of shares of common stock available under the Plan shall be reduced by the number of shares subject to options and, if stock appreciation units and equity units are granted other than in conjunction with options, the number of stock appreciation units and equity units granted, and increased by the number of shares subject to options that terminate or are canceled other than as a result of the exercise of a stock incentive granted in conjunction with such options and the number of stock appreciation units and equity units granted in conjunction with options, that terminate or are canceled. In no event will the determination of the number of shares available be calculated in a manner inconsistent with applicable laws and regulations as in effect from time to time.

(b) The Committee, in its discretion, may, from time to time, implement, amend or terminate a stock option replacement feature to the Plan, as provided for herein (the

"Stock Option Replacement Feature"). When implemented, the Stock Option Replacement Feature shall provide that if a Participant exercises an option or a portion thereof by using shares of common stock in payment of the option price (which shares shall have been owned by the Participant for at least six (6) months), the Participant shall, without further action by the Committee, be granted a new option (a "Replacement Option") to purchase shares of common stock equal to the number of shares of common stock used in payment of the exercise price and the number of shares withheld for tax in respect of the exercise. The grant of the Replacement Option shall occur, simultaneous with the exercise of the option in accordance with the conditions hereof, and shall have an option price equal to the fair market value of the common stock on the date of grant of the Replacement Option. Replacement Options may be granted under this Plan upon exercise of options granted pursuant to the 1987 Stock Option Plan, and the 1977 Stock Option Plan.

A Replacement Option (a) shall not be exercisable until at least six months after the date of grant, (b) shall have an expiration date no later than the date on which the original option (with respect to which the Replacement Option was granted) would have expired by its terms, (c) may not be granted more than twice each year to the same Participant, and (d) shall comply with all other provisions of this Plan.

Subject to the foregoing, the Committee shall, in addition to all other powers granted to the Committee under the Plan, have the power to designate (a) the date the Replacement Option shall be exercisable (or become vested), (b) the expiration date of the Replacement Option and (c) any limitations on the frequency of the grants of Replacement Options to any Participant. In addition, the Committee may establish, as a condition to the grant of Replacement Options, a requirement that the recipient agrees not to resell "Excess Shares" (as hereinafter defined) received in connection with such grant for a period of time not to exceed two years. As used herein, "Excess Shares" shall mean the number of shares received upon exercise of the option (with respect to which the Replacement Option was granted) in excess of the number of shares tendered as payment for such exercise.

Section 4. Participation -- Employees eligible for stock incentives shall be selected by the Committee from time to time from among those employees of the Company and its subsidiaries who are in a position to contribute materially to the success of the Company.

Section 5. Conditions -- (a) Stock incentives may be evidenced by stock incentive agreements, which shall be subject to the applicable provisions of the Plan and contain such other provisions as the Committee shall determine from time to time. A stock incentive may be exercised at one time or in such installments over the balance of the exercise period as may be provided in the stock incentive agreement.

(b) The option price per share shall be not less than the Fair Market Value of the common stock on the date each option is granted.

(c) The Committee may permit the voluntary surrender of all or a portion of any stock incentive to be conditioned upon the granting of a new stock incentive.

(d) In the event of a Change of Control of the Company, then notwithstanding any provision of this section or of any provision of any stock incentive agreements to the contrary, all stock options, stock appreciation units and equity units which have not terminated and which are then held by any participant shall, as of such Change of Control, become immediately exercisable (subject, however, to the restrictions on surrender of stock appreciation units and equity units for cash as set forth in paragraph (c) of section 9) without regard to the exercise period specified in any relevant stock incentive agreement.

Section 6. Exercise of Stock Incentives -- (a) Subject to paragraph (a) of Section 5, each stock incentive will be exercisable in whole or in part from time to time, prior to its cancellation or termination, by written notice to the Company specifying the number of shares or units, as the case may be, with respect to which it is being exercised. If any option is being exercised, such notice shall be accompanied by payment in full of the purchase price by cash or check or in other form acceptable to the Committee, including shares of common stock of the Company or partly in cash or check and partly in such shares, except that the Committee may, from time to time, impose limits and conditions on the use of such shares for payment. The Committee may alternatively permit, under such terms and conditions as it may establish from time to time, payment methods for option exercises which will enable a participant to pay the exercise price of an option, and any applicable withholding taxes, from the proceeds of the sale of shares received as a result of the exercise of such option. Certificates for shares to be received upon the exercise of stock incentives will be delivered in regular course. Fractional shares will not be issued. No stock options may be exercised by a participant who is subject to Section 16(b) of the Securities Exchange Act of 1934 (the "Exchange Act") within six months from the date of grant thereof, except in the event of death or disability of the participant prior to the expiration of such six month period.

(b) Except as provided in paragraph 16(h) hereof, a stock incentive may be exercised during the life-time of the participant only by the participant and after his or her death only by the persons to whom the stock incentive has been transferred by will or by laws of descent and distribution. Stock incentives are not otherwise transferable. Stock appreciation units granted with respect to incentive stock options may be exercised only when the Fair Market Value of the common stock subject to the related option exceeds the exercise price thereof.

(c) Upon the exercise of one or more stock appreciation units granted in conjunction with a stock option, such option shall be cancelled with respect to an equal number of shares and an equal number of equity units granted in conjunction therewith, if any, shall be cancelled. Upon the exercise of one or more equity units granted in conjunction with a stock option, such option shall be cancelled with respect to an equal number of shares and an equal number of stock appreciation units granted in conjunction therewith, if any, shall

be cancelled. Upon the exercise of a stock option for one or more shares, an equal number of stock appreciation units and an equal number of equity units granted in conjunction therewith, if any, shall be cancelled.

Section 7. Use of Proceeds -- Proceeds, if any, from the exercise of options pursuant to the Plan will be used for general corporate purposes.

Section 8. Termination of Stock Incentives -- Each stock incentive will terminate upon the earlier of (a) or (b) below.

(a) The date fixed by the Committee when the stock incentive is granted as set forth in the relevant stock incentive agreement.

(b) Termination of employment or, to the extent the stock incentive was then exercisable, three months after the participant's termination of employment, except as follows:

(i) If the participant dies while an employee, or within three months after termination of employment, the stock incentive may be fully exercised (whether or not the stock incentive was fully exercisable), at any time or from time to time within three years after the date of death.

(ii) If the participant retires after attaining age 65, or earlier with the consent of the Company, or if employment is terminated by disability, the stock incentive may be fully exercised (whether or not the stock incentive was fully exercisable, unless provided otherwise in the stock incentive agreement) within three years after the date of such retirement or termination.

(iii) If the Committee determines that the stock incentive may be exercised (whether or not it was fully exercisable) for a longer period of time.

Notwithstanding anything hereinabove to the contrary, if a participant's employment is terminated for cause, his or her ability to exercise the stock incentive shall terminate on the date of termination of employment. For this purpose, the determination of the Committee as to whether employment was terminated for cause shall be final.

Section 9. Stock Appreciation Units and Equity Units -- (a) Stock appreciation units and equity units may be granted on a "free-standing" basis or in conjunction with all or a portion of the shares covered by an option, either at the time of grant of the option or at any time thereafter during the term of the option.

(b) Each stock appreciation unit and each equity unit shall entitle the holder thereof to elect, prior to its cancellation or termination, to exercise such stock appreciation unit or equity unit and receive either cash or shares of common stock or both, as the Committee may determine, in an aggregate amount equal in Fair Market Value on the date of such election to the following:

(i) In the case of a stock appreciation unit, the excess, if any, of the Fair Market Value of a share of common stock on the date of such election over the Fair Market Value of a share of common stock on the date of grant of the stock appreciation unit.

(ii) In the case of an equity unit, the remainder of (A) the sum of the dividend equivalents credited under paragraph (d) plus the Equity Per Share on the date of exercise minus (B) the Equity Per Share on the date of grant. The number of shares which may be issued upon exercise of an equity unit may not exceed the number of equity units exercised and the balance will be payable in cash, subject to the terms of the Plan.

(c) Stock appreciation units or equity units may be exercised only as provided under their terms. In addition, the following provisions shall apply:

(i) No stock appreciation units or equity units may be exercised by a participant who is subject to Section 16(b) of the Exchange Act within six months from the date of grant thereof, except in the event of death or disability of the participant prior to the expiration of the six months.

(ii) Stock appreciation units or equity units may be surrendered for cash only during the period beginning on the third business day following the date of release of a summary statement of the Company's quarterly or annual sales and earnings and ending on the twelfth business day following such date of release. Payment of such cash may be deferred by the participant subject to such terms and conditions as may be prescribed by the Committee.

(iii) The Committee may disapprove an election to surrender any stock appreciation unit or equity unit for cash in full or partial settlement thereof.

(iv) In the event the Committee disapproves, in whole or in part, an election by a participant to surrender any stock appreciation unit or equity unit for cash, such disapproval shall not effect the participant's right to surrender the stock appreciation unit or equity unit currently for shares of common stock or at a later date for shares or cash, or his or her right to exercise the options currently or at a later date, to the extent otherwise exercisable, provided that any subsequent surrender for cash shall be similarly subject to the Committee's approval.

(d) Each equity shall be credited with an amount equal to dividends paid per share of common stock as of each record date from the date of grant of the equity unit until the date of exercise. Unless the Committee determines otherwise, dividend equivalents shall be paid only in accordance with paragraph (b) (ii) of this section.

Section 10. Incentive Stock Options -- Each option granted under the Plan which is intended to be an incentive stock option as defined in Section 422A of the United States Internal Revenue Code shall be so designated. The aggregate fair market value

(determined as of the time such option is granted) of the stock with respect to which incentive stock options granted after 1986 are exercisable for the first time by such individual during any calendar year after 1986 under any option plan of his or her employer corporation and its parent and subsidiary corporation shall not exceed \$100,000.

Section 11. Loans -- The Company may make loans to such participants as the Committee, in its discretion, may determine (including a participant who is a director or officer of the Company) in connection with the exercise of options granted under the Plan in an amount up to the exercise price of the option to be exercised plus any applicable withholding taxes. In no event may any such loan exceed the Fair Market Value, at the date of exercise, of the shares covered by the option, or portion thereof, exercised by the participant. Such loans shall be subject to such terms and conditions as the Committee shall determine. Every loan shall comply with all applicable laws, regulations and rules of the Federal Reserve Board and any other governmental agency having jurisdiction.

Section 12. Limited Rights -- (i) A limited right may be awarded by the Committee in connection with any option granted under the Plan with respect to all or some of the shares of common stock covered by such related option. A limited right may be granted either at the time the option is granted or thereafter at any time prior to the cancellation, exercise, forfeiture, termination or expiration of the option. A limited right may be exercised only during the thirty-day period beginning on a Change of Control of the Company. In addition, each limited right which has not terminated and which is then held by a participant shall be exercisable whether or not the related option is exercisable.

(ii) Upon the exercise of limited rights, the participant shall receive in cash an amount equal to the product computed by multiplying (a) the excess of (X) the highest Fair Market Value per share of common stock during the thirty-day period ending on the date the limited right is exercised over (Y) the option price per share of common stock at which the related option is exercisable by (b) the number of shares of common stock with respect to which the limited right is being exercised. Notwithstanding the foregoing, in the case of a limited right granted in respect of an incentive stock option, the holder may not receive an amount in excess of such amount as will enable such option to qualify as an incentive stock option.

(iii) Upon exercise of a limited right, such related option and any related stock appreciation unit and equity shall cease to be exercisable to the extent of the shares of common stock with respect to which such limited right is exercised. Upon the exercise or termination of a related option, the limited right with respect to such related option shall terminate to the extent of the shares of common stock with respect to which the related option was exercised or terminated.

Section 13. Foreign Stock Incentives -- The Committee may grant options to employees who are subject to the tax laws of nations other than the United States, which options may have terms and conditions that differ from other options granted under the

Plan for the purposes of complying with the foreign tax laws. The Committee may grant stock appreciation units, equity units and limited rights to employees without the grant of an accompanying option if the employees are subject at the time of grant to the laws of a jurisdiction that prohibits them from owning common stock. The units and rights shall permit the employees to receive cash at the time of any exercise of such units or rights.

Section 14. Adjustments -- In the event of any change in the common stock, through the declaration of stock dividends, through recapitalization resulting in stock split-ups or combinations of shares, or as the result of similar events, appropriate adjustment, to be determined by the Committee, shall be made in the number of shares subject to the Plan, in the number of shares and price per share of all shares subject to outstanding stock incentives and in the Fair Market Value or Equity Per Share on the date from which any increase therein is measured under stock appreciation units, equity units or limited rights. In the case of equity units, the Committee may make such adjustment to the computation of equity per share as the Committee deems equitable, in light of whether or not the grantee is entitled to the most recent dividend and whether or not the equity of the applicable balance sheet reflects the debiting of such dividend.

Section 15. Definitions -- (a) A Change of Control shall be deemed to have taken place upon (i) the acquisition by a third person, including a "group" as defined in Section 13(d) (3) of the Securities Exchange Act of 1934 of shares of the Company having 30% or more of the total number of votes that may be cast for the election of directors of the Company. (ii) shareholder approval of the acquisition of the Company, or substantially all of its assets, by another entity or of a merger, reorganization, consolidation or other business combination to which the Company is a party or (iii) the election during any period of 24 months or less of 50% or more of the directors of the Company where such directors were not in office immediately prior to such period.

(b) Fair Market Value shall be the mean between the high and low prices for the day on the New York Stock Exchange Composite Tape. In the absence of a reported sale, the mean between the high and low prices on the most recent date on which a sale was reported may be used.

(c) Equity Per Share as of any date means the common stockholder's equity, as stated in the most recent publicly available quarterly or annual consolidated balance sheet of the Company, divided by the number of shares of the Company's common stock and common stock equivalents outstanding as of the date of such balance sheet.

Section 16. General Provisions -- (a) No stock incentives may be exercised if such exercise and the receipt of cash or stock thereunder, would be contrary to law or the regulations of any duly constituted authority having jurisdiction over the Plan.

(b) Absence on leave approved by a duly constituted officer of the Company or any of its subsidiaries shall not be considered interruption or termination of service of any

employee for any purposes of the Plan, except that no award may be granted to an employee while he or she is absent on leave.

(c) No participant shall have any rights as a stockholder with respect to any shares subject to his or her stock incentives prior to the date as of which he or she is actually recorded as the holder of the common stock covered by such stock incentives upon the stock records of the Company.

(d) Nothing in the Plan or any stock incentive granted hereunder shall confer upon any employee any right to continue in the employ of the Company or any of its subsidiaries or interfere in any way with the right of the Company or any of its subsidiaries to terminate his or her employment at any time.

(e) Any agreement may provide that stock issued upon exercise of any stock incentive may be subject to such restrictions, including, without limitation, restrictions as to transferability and restrictions constituting substantial risks of forfeiture, as the Committee may determine at the time such stock incentive is granted.

(f) The obligation of the Company to issue, transfer or deliver common stock under the Plan shall be subject to (a) the effectiveness of a registration statement under the Securities Act of 1933, as amended, with respect to such issue, transfer or delivery, if deemed necessary or appropriate by counsel for the Company, (b) the condition that the shares of common stock reserved for issuance, if any, shall have been listed (or authorized for listing upon official notice of issuance) upon each stock exchange on which outstanding shares of the same class may then be listed and (c) all other applicable laws, regulations, rules and orders which shall then be in effect.

(g) This Plan, insofar as it provides for cash payments, shall be unfunded, and the Company shall not be required to segregate any assets which may at any time be awarded under the Plan. Any liability of the Company to any person with respect to any grant under this Plan shall be based solely upon any contractual obligations which may be created by this Plan. No such obligation of the Company shall be deemed to be secured by any pledge of, or other encumbrance on, any property of the Company.

(h) In the event the Committee determines that a participant is incapacitated and unable to exercise stock incentives granted under the Plan, the Committee, in its discretion, may authorize the assignment of the power to exercise such stock incentives to a fiduciary, legal guardian or other individual whom the Committee deems appropriate based on the applicable facts and circumstances.

(i) The Company shall deduct from all payments and distributions under the Plan any taxes required to be withheld by federal, state or local governments. In case distributions are made in shares of common stock, the Company shall have the right to retain the value of sufficient shares to equal the amount of the tax required to be withheld in respect of such distributions. In lieu of withholding the value of shares, the Committee may require

a recipient of a distribution in common stock to pay the Company for any such taxes required to be withheld upon such terms and conditions as the Committee may prescribe.

(j) Captions preceding the sections hereof are inserted solely as a matter of convenience and in no way define or limit the scope or intent of any provisions hereof.

(k) Any transaction effected pursuant to this Plan that is deemed to be a "Discretionary Transaction" as defined in Rule 16b-3(b) under the Securities Exchange Act of 1934, as amended, that occurs within six months of an "opposite way" discretionary transaction (as described in Rule 16b-3(f) thereunder) is automatically voided and will be deferred until six months have elapsed from the date of the most recent "opposite way" discretionary transaction under any Plan of the Company.

Section 17. Amendment and Termination -- The Board of Directors may alter, suspend or terminate the Plan. Except as provided in section 14, the Board may not, however, materially modify the requirements regarding eligibility for participation in the Plan or, without the consent of the holder thereof, alter or impair any stock incentive previously granted under the Plan. The Plan will terminate upon the adoption by the Board of a successor stock option plan. No stock incentive may be granted after the termination of the Plan, but stock incentives previously granted may be exercised in accordance with their terms.

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF EARNINGS PER COMMON SHARE

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

	YEAR ENDED DECEMBER		
	31,		
	1997	1996	1995
	-----	-----	-----
BASIC			
EARNING:			
Net income.....	\$740.4	\$635.0	\$172.0
Deduct: Dividends on preferred shares.....	21.1	21.4	21.6
	-----	-----	-----
Net income applicable to common shares.....	\$719.3	\$613.6	\$150.4
	=====	=====	=====
SHARES (IN MILLIONS)			
Weighted average shares outstanding.....	295.3	293.3	290.4
	=====	=====	=====
EARNINGS PER COMMON SHARE, BASIC.....	\$ 2.44	\$ 2.09	\$.52
	=====	=====	=====

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF EARNINGS PER COMMON SHARE

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

	YEAR ENDED DECEMBER		
	31,		
	1997	1996	1995
DILUTED			
EARNINGS:			
Net income.....	\$740.4	\$635.0	\$172.0
Deduct: Dividends on preferred shares.....	.5	.5	21.6
Deduct: Replacement funding.....	2.7	4.8	--
Net income applicable to common shares.....	\$737.2	\$629.7	\$150.4
SHARES (IN MILLIONS):			
Weighted average shares outstanding.....	295.3	293.3	290.4
Add: Assumed exercise of options reduced by the number of shares purchased with the proceeds.....	6.9	5.1	5.1
Add: Assumed conversion of Series B Convertible Preference Stock.....	22.9	23.3	--
Adjusted weighted average shares outstanding.....	325.1	321.7	295.5
EARNINGS PER COMMON SHARE, DILUTED.....	\$ 2.27	\$ 1.96	\$.51

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in Millions Except Per Share Amounts)

	YEAR ENDED DECEMBER 31, 1997 -----
Income before income taxes.....	\$1,102.3
ADD:	
Interest on indebtedness and amortization of debt expense and discount or premium.....	231.6
Portion of rents representative of interest factor.....	31.5
Interest on ESOP debt, net of dividends.....	3.2
LESS:	
Income of less than fifty-percent-owned subsidiaries.....	(5.6)
Income as adjusted.....	\$1,363.0 =====
FIXED CHARGES:	
Interest on indebtedness and amortization of debt expense and discount or premium.....	\$ 231.6
Portion of rents representative of interest factor.....	31.5
Interest on ESOP debt, net of dividends.....	3.2
Capitalized interest.....	10.0
Total fixed charges.....	\$ 276.3 =====
Ratio of earnings to fixed charges.....	4.9 =====

In June 1989, the Company's leveraged employee stock ownership plan (ESOP) issued \$410.0 long-term notes due through 2009 bearing an average interest rate of 8.6%. These notes are guaranteed by the Company. Interest incurred on the ESOP's notes was \$33.0 in 1997. 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.

SUBSIDIARIES OF THE REGISTRANT

Name of Company -----	State in which Incorporated or Country in which Organized -----
Alexandril S.A.	Uruguay
Arkay Pty Limited	Australia
Asia Pioneer Co., Ltd.	Hong Kong
Barbados Cosmetics Products Limited	Barbados
Baser Kimya Sanayii Ve Ticaret Anonim Sirketi	Turkiye
Baser Turketim Pazarlama Ve Ticaret Anonim Sirketi	Turkiye
Bella, S.A.	France
Black Like Me (Proprietary) Limited	South Africa
C-P Peru S.A.	Peru
Cachet Investments Limited	Jersey Islands, U.K.
Chemtech (BVI) Co. Ltd	British Virgin Islands
Chet (Chemicals) (Proprietary) Limited	South Africa
CKS, Inc.	Delaware
Cleaning Dimensions, Inc.	Delaware
Cobelsa S.A.	Argentina
Colgalive, S.A.	Dominica Republic
Colgate (BVI) Limited	British Virgin Islands
Colgate (Guangzhou) Co. Ltd.	China
Colgate (U.K.) Limited	United Kingdom
Colgate Flavors and Fragrances, Inc.	Delaware
Colgate Holdings Limited	United Kingdom
Colgate, Inc.	Delaware
Colgate Music Direct	Delaware
Colgate Oral Pharmaceuticals, Inc.	Delaware
Colgate Sports Foundation, Inc.	The Philippines
Colgate Venture Company, Inc.	Delaware
Colgate-Palmolive	France
Colgate-Palmolive	Ireland
Colgate-Palmolive & Cia	Colombia
Colgate-Palmolive A.B.	Sweden
Colgate-Palmolive A.G.	Switzerland
Colgate-Palmolive Adria d.o.o.	Slovenia
Colgate-Palmolive (America), Inc.	Delaware
Colgate-Palmolive A/S	Denmark
Colgate-Palmolive Belgium S.A.	Belgium
Colgate-Palmolive Beteiligungsverwaltungs GmbH	Germany
Colgate-Palmolive (B) Sdn. Bhd.	Brunei
Colgate-Palmolive (Blantyre) Limited	Malawi
Colgate-Palmolive Bolivia, Ltda	Bolivia
Colgate-Palmolive (Borzesti) SRL	Romania
Colgate-Palmolive (Botswana) (Proprietary) Ltd	Botswana
Colgate-Palmolive (Bulgaria) Ltd	Bulgaria
Colgate-Palmolive (C.A.) Inc. y Compania Limitada	Guatemala
Colgate-Palmolive Cameroun S.A.	Cameroon
Colgate-Palmolive Canada, Inc.	Canada

Name of Company -----	State in which Incorporated or Country in which Organized -----
Colgate-Palmolive (Caribbean), Inc.	Delaware
Colgate-Palmolive (Central America), Inc.	Delaware
Colgate-Palmolive Central European Management Inc.	Delaware
Colgate-Palmolive (Centro America) S.A.	Guatemala
Colgate-Palmolive (Ceylon) Limited	Sri Lanka
Colgate-Palmolive Charitable Foundation	Delaware
Colgate-Palmolive Chile S.A.	Chile
Colgate-Palmolive, Cia.	Delaware
Colgate-Palmolive Co. (Jamaica) Ltd.	Jamaica
Colgate-Palmolive (Commerciale) Limitada	Mozambique
Colgate-Palmolive Compania Anonima	Venezuela
Colgate-Palmolive Company, Distr.	Puerto Rico
Colgate-Palmolive (Costa Rica), S.A.	Costa Rica
Colgate-Palmolive Cote d'Ivoire, S.A.	Ivory Coast
Colgate-Palmolive Czech Republic spol. s.r.o.	Czechoslovakia
Colgate-Palmolive de Paraguay, S.A.	Paraguay
Colgate-Palmolive de Puerto Rico, Inc.	Delaware
Colgate-Palmolive del Ecuador, S.A.	Ecuador
Colgate-Palmolive del Peru (Delaware) Inc. Secursal del Peru	Delaware
Colgate-Palmolive Deutschland Holding GmbH	Germany
Colgate-Palmolive Development Corp.	Delaware
Colgate-Palmolive Distribution Co. (Pty) Ltd	Botswana
Colgate-Palmolive (Dominica), Inc.	Delaware
Colgate-Palmolive (Dominican Republic), Inc.	Delaware
Colgate-Palmolive (East Africa) Limited	Kenya
Colgate-Palmolive (Eastern) Pte. Ltd	Singapore
Colgate-Palmolive (Egypt) S.A.E.	Egypt
Colgate-Palmolive Enterprises, Inc.	Delaware
Colgate-Palmolive Espana, S.A	Spain
Colgate-Palmolive Europe S.A.	Belgium
Colgate-Palmolive (Far East) Sdn Bhd	Malaysia
Colgate-Palmolive (Fiji) Limited	Fiji Islands
Colgate-Palmolive (Finance) (Pty) Limited	South Africa
Colgate-Palmolive G.m.b.H.	Germany
Colgate-Palmolive Gabon	Gabon
Colgate-Palmolive Gesellschaft G.m.b.H.	Austria
Colgate-Palmolive Global Trading Company	Delaware
Colgate-Palmolive (Gulf States) Ltd.	British Virgin Islands
Colgate-Palmolive (Guyana) Ltd	Guyana
Colgate-Palmolive Haci Sakir Sabun Sanayi ve Ticaret Anonim Sirket	Turkiye
Colgate-Palmolive (H.K.) Limited	Hong Kong
Colgate-Palmolive (Hellas) S.A. I.C.	Greece
Colgate-Palmolive Holding Argentina S.A.	Argentina
Colgate-Palmolive Holding Inc.	Delaware
Colgate-Palmolive Hungary Trading Unlimited Partnership	Hungary
Colgate-Palmolive (Hungary) Manufacturing, Limited Liability Company	Hungary

Name of Company -----	State in which Incorporated or Country in which Organized -----
Colgate-Palmolive, Inc.	Delaware
Colgate-Palmolive (India) Limited	India
Colgate-Palmolive Industries (Private) Ltd	Zimbabwe
Colgate-Palmolive International Holdings B.V.	Netherlands
Colgate-Palmolive International Incorporated	Delaware
Colgate-Palmolive Investment Co., Inc.	Delaware
Colgate-Palmolive Investments, Inc.	Delaware
Colgate-Palmolive Investments (PNG) Pty Ltd	Papua New Guinea
Colgate-Palmolive (Latvia) SIA	Latvia
Colgate-Palmolive Limited	New Zealand
Colgate-Palmolive, Ltda	Brazil
Colgate-Palmolive (Malaysia) Sdn Bhd	Malaysia
Colgate-Palmolive (Marketing) Sdn Bhd	Malaysia
Colgate-Palmolive Mennen Limited	United Kingdom
Colgate-Palmolive (Middle East Exports) Ltd.	British Virgin Islands
Colgate-Palmolive (Mocambique) Limitada	Mozambique
Colgate-Palmolive Morocco	Morocco
Colgate-Palmolive Nederland B.V.	Netherlands
Colgate-Palmolive (Nepal) Private Limited	Nepal
Colgate-Palmolive (New York), Inc.	Delaware
Colgate-Palmolive (Nigeria) Services Ltd.	Nigeria
Colgate-Palmolive NJ, Inc.	New Jersey
Colgate-Palmolive Nordic A/S	Denmark
Colgate-Palmolive Norge A/S	Norway
Colgate-Palmolive Senegal (ex NSOA) S.A.	Senegal
Colgate-Palmolive Participacoes e Investimentos Imobiliarios, S.A.	Portugal
Colgate-Palmolive The Philippines, Inc.	The Philippines
Colgate-Palmolive Peru S.A.	Peru
Colgate-Palmolive (PNG) Pty Ltd	Papua New Guinea
Colgate-Palmolive (Poland) Sp. z 0.0.	Poland
Colgate-Palmolive Pty Limited	Australia
Colgate-Palmolive (Pty) Limited	South Africa
Colgate-Palmolive (Research & Development), Inc.	Delaware
Colgate-Palmolive (Romania) SRL	Romania
Colgate-Palmolive, S.A.	Portugal
Colgate-Palmolive, S.A. de C.V.	Mexico
Colgate-Palmolive (Slovakia) sro	Slovakia
Colgate-Palmolive Sociedad Anonima Industrial y Commercial	Argentina
Colgate-Palmolive Son Hai Limited	Vietnam
Colgate-Palmolive S.p.A.	Italy
Colgate-Palmolive SP	Ukraine
Colgate-Palmolive Temizlik Urunleri Sanayi ve Ticart S.A.	Delaware
Colgate-Palmolive (Thailand) Ltd.	Thailand
Colgate-Palmolive Transnational Inc.	Delaware
Colgate-Palmolive (Uganda) Limited	Uganda
Colgate-Palmolive (U.K.) Limited	United Kingdom

Name of Company -----	State in which Incorporated or Country in which Organized -----
Colgate-Palmolive (Zimbabwe), Inc.	Delaware
Consumer Viewpoint Center, Inc.	New Jersey
Cosmeticos Grasse Ltda.	Chile
Cotelle S.A.	France
CP Adina S.A.	Colombia
CP Holding S.A.	France
CP Super Management Pty Ltd	Australia
CPC Funding Company	Delaware
CPIF, Inc.	Delaware
Cristasol, S.A.	Spain
Delpha, S.A.	France
Dental Pack Industria E Comercio Ltda	Brazil
Dentatech (BVI) Co. Ltd	British Virgin Islands
Dimac Development Corp.	Delaware
Direct Development, Inc.	Massachusetts
Distribuidora Edison S.A.	Argentina
Dominica Coconut Products Limited	Dominica
EKIB, Inc.	Delaware
ELM Company Limited	Bermuda
Empresa de Maquilas, S.A. de C.V.	Mexico
Endeavon (PNG) Pty Ltd.	Papua New Guinea
Fabnac Colgate-Palmolive S.A.	Haiti
Fundacion Colgate-Palmolive Dominicana, N/A, Inc.	Dominican Republic
Global Trading and Supply Company	Delaware
Hamol B.V.	Netherlands
Hamol, Ltd	Delaware
Hao Lai Chemical Co. Ltd.	Taiwan
Hawley & Hazel (BVI) Company Ltd	British Virgin Islands
Hawley & Hazel (Malaysia) Sdn Bhd	Malaysia
Hawley & Hazel Chemical Co. (H.K.) Ltd.	Hong Kong
Hawley & Hazel Chemical Co. Singapore (Pte.) Ltd.	Singapore
Hawley & Hazel Chemical Company (Zhongshou) Limited	China
Hawley & Hazel China Investment Limited	China
Hawley & Hazel Investment Co., Ltd.	Hong Kong
Hawley & Hazel Taiwan Corporation	Taiwan
Herrick International Limited	British Virgin Islands
Hill's Funding Company	Delaware
Hill's Pet Nutrition B.V.	Netherlands
Hill's International Sales FSC B.V.	Netherlands
Hill's Pet Nutrition Canada Inc.	Canada
Hill's Pet Nutrition de Puerto Rico, Inc.	Puerto Rico
Hill's Pet Nutrition Espana, S.L.	Spain
Hill's Pet Nutrition GmbH	Germany
Hill's Pet Nutrition, Inc.	Delaware
Hill's Pet Nutrition Ltd.	United Kingdom
Hill's Pet Nutrition Manufacturing, B.V.	Netherlands

Name of Company -----	State in which Incorporated or Country in which Organized -----
Hill's Pet Nutrition Pty Limited	Australia
Hill's Pet Nutrition Sales, Inc.	Delaware
Hill's Pet Products (Benelux) S.A.	Belgium
Hill's Pet Products de Mexico, S.A. de C.V.	Mexico
Hill's Pet Products (NZ) Limited	New Zealand
Hill's Pet Products Manufacturing, B.V.	Netherlands
Hill's Pet Products S.p.A.	Italy
Hill's Pet Products SNC	France
Hill's Pet Products, Inc.	Delaware
Hill's-Colgate (Japan) Ltd.	Japan
Hopro Liquidating Corp.	Ohio
Industrial Jabonera Ecuatoriana S.A.	Ecuador
Industrias Quimicas Asociadas Multiquim, S.A.	Ecuador
Inmobiliara Hills, S.A. de C.V.	Mexico
Innovacion Creativa, S.A. de C.V.	Mexico
Inter-Hamol, S.A.	Luxembourg
International Equitable Association (Industrial & Commercial) Limited	Nigeria
K.G. Caviar Im-Und Export, GmbH & Co.	Germany
Kolynos Corporation	Delaware
Kolynos do Brasil Ltda	Brazil
Laboratorios Farmapure, Inc.	Puerto Rico
Lournay Sales, Inc.	Delaware
Mennen de Nicaragua, S.A.	Delaware
Mennen Guatemala, S.A.	Guatemala
Mennen Interamerica Limited	Delaware
Mennen Investments Inc.	Delaware
Mennen Limited	Delaware
Mennen Products (Pty) Ltd	South Africa
Mennen South Africa, Ltd	Delaware
Mission Hill's Property Corporation	Delaware
Mission Hills, S.A. de C.V.	Mexico
New Science, Inc.	Delaware
Norwood International Incorporated	Delaware
ODOL Sociedad Anonima Industrial y Commercial	Argentina
Olive Music Publishing Corporation	Delaware
Oraltech Company, Limited	British Virgin Islands
Palmolive (Guangzhou) Co. Ltd.	China
Paramount Research, Inc.	Delaware
Pet Chemicals Inc.	Florida
Polyana S.A.	Uruguay
Princess House de Mexico, S.A. de C.V.	Mexico
Productors Halogenados Copalven, C.A.	Venezuela
P.T. Colgate-Palmolive Indonesia	Indonesia
P.T. Hawley & Hazel Indonesia	Indonesia
Purity Holding Company	Delaware
Purity Music Publishing Corporation	Delaware

Name of Company -----	State in which Incorporated or Country in which Organized -----
Refresh Company Limited Samuel Taylor Holdings B.V. Siam Purity Distribution Co. Ltd. Societe Industriale de Bourbon, S.I.B. Softsoap Enterprises, Inc. Somerset Collections Inc. Southampton-Hamilton Company Syarika Tahara Sdn Bhd The Lournay Company, Inc. The Mennen Company The Murphy-Phoenix Company VCA, Inc. Veterinary Companies of America, Inc. Village Bath Products, Inc. Vipont Pharmaceutical, Inc. XEB, Inc ZAO Colgate-Palmolive (Russia)	Dominica Netherlands Thailand Reunion Massachusetts Massachusetts Delaware Malaysia Delaware New Jersey Ohio Delaware Delaware Minnesota Delaware New Jersey Russia

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report, dated February 2, 1998, included in this Form 10-K, into the Company's previously filed Registration Statement File Nos. 2-76922, 2-96982, 33-17136, 33-27227, 33-34952, 33-15515, 33-48832, 33-48840, 33-58746, 33-61038, 33-78424, 33-58887, 33-58231, 33-64753, 333-38251 and 333-45679.

/s/ Arthur Andersen LLP

New York, New York
March 24, 1998

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Jill K. Conway, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ JILL K. CONWAY

Name: Jill K. Conway

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Ronald E. Ferguson, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ RONALD E. FERGUSON

Name:

Ronald E. Ferguson

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Ellen M. Hancock, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ ELLEN M. HANCOCK

Name: Ellen M. Hancock

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, David W. Johnson, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ DAVID W. JOHNSON

Name: David W. Johnson

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, John P. Kendall, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ JOHN P. KENDALL

Name: John P. Kendall

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Richard J. Kogan, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ RICHARD J. KOGAN

Name: Richard J. Kogan

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Delano E. Lewis, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ DELANO E. LEWIS

Name: Delano E. Lewis

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Howard B. Wentz, Jr., do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ HOWARD B. WENTZ, JR.

Name: Howard B. Wentz, Jr.

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

I, Reuben Mark, do hereby make, constitute and appoint Stephen C. Patrick and Andrew D. Hendry, and each of them, as my attorneys-in-fact and agents with full power of substitution for me and in my name, place and stead, in any and all capacities, to execute for me and on my behalf the Annual Report of Colgate-Palmolive Company on Form 10-K for the year ended December 31, 1997, and any and all amendments thereto and any other documents in connection therewith, and to file the same with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing necessary and proper to be done in and about the premises, as fully to all intents and purposes as I might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents and/or any of them may lawfully do or cause to be done by virtue hereof.

In witness whereof, I have executed this Power of Attorney this 5th day of March, 1998.

/S/ REUBEN MARK

Name:

Reuben Mark

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 1997 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1,000,000

12-MOS		
	DEC-31-1997	
	JAN-01-1997	
	DEC-31-1997	183
		22
		1,037
		36
		728
	2,197	3,798
	1,357	
	7,539	
1,960		2,340
0		385
		366
		1,427
7,539		9,057
	9,057	4,462
	3,237	
	72	
	0	
184		
	1,102	
		362
740		
	0	
	0	
		0
		740
		2.44
		2.27