

## Colgate Announces Excellent 4th Quarter-- Volume up 7%, Record Earnings and Profitability-- EPS up 14% to \$.41 vs. \$.36

**New York, New York, February 3, 2000...** Colgate-Palmolive Company (NYSE-CL) today announced sharply higher earnings, profitability and volume growth for its fourth quarter ended December 31, 1999. Earnings per share on a diluted basis increased 14% to \$.41 per share, up from \$.36 in the fourth quarter of 1998. Net income increased 11% to a new quarterly record of \$260.6 million. Sales, which would have increased 8% absent foreign currency translation, rose 2.5% to \$2.3 billion.

Colgate's unit volume growth accelerated to 7% in the fourth quarter, fueled by successful new products, market share gains and increased advertising. Colgate's volume momentum grew progressively stronger in every quarter of 1999. Worldwide, all Colgate divisions achieved excellent unit volume increases and all growth was internally generated.

Colgate's marketing, financial and supply chain strategies continue to drive its profit margins higher. Fourth quarter profitability indicators set new records. Gross profit margin climbed by 140 basis points to 53.5% and the operating profit margin increased 160 basis points to 17.5%.

Reuben Mark, Colgate Chairman and Chief Executive Officer, commented: "We are delighted to enter the year 2000 with such strong momentum worldwide. It is especially gratifying to see such strong top line volume growth in all divisions, while our profitability reaches record levels at the same time.

"Our results confirm the power of our global financial strategy to increase gross margin, reduce overhead, and utilize the significant savings to drive worldwide new product launches and increase advertising. Colgate people are systematically reducing costs all along the supply chain. Our early investments in strategic re-engineering and enterprise-wide software continue to yield major savings for us and our customers. Benefits should continue to climb, as we expand these technologies into new regions and as additional applications further improve our efficiency."

For the full year, Colgate's unit volume increased 5%; significant gains in all divisions were led by Colgate-North America, Colgate-Asia/Africa and Hill's Pet Nutrition. Diluted earnings per share rose 13% to a new record of \$1.47 versus \$1.30, and net income rose 10% to \$937.3 million, also a new record. Sales increased 2% to \$9.1 billion and would have grown 7% excluding foreign currency translation.

Global market shares increased across key categories, including toothpaste, toothbrushes, shower gels, liquid hand soaps, underarm protection, all-purpose cleaners, bleach, fabric softeners and pet nutrition. Sales from new products introduced during the past five years contributed over \$3.2 billion, or 35% of 1999 total sales. Innovative new products like Colgate Total Fresh Stripe toothpaste, Ajax Fiesta de Flores fragranced cleaner, the Palmolive Botanicals line of shampoo, shower gel and translucent soap, Speed Stick clear antiperspirant, the Colgate Actibrush battery-powered toothbrush, Soupline Cashmere fabric softener and Hill's Science Diet Hairball Control for cats are driving Colgate's market-leading positions.

Profitability also expanded sharply for the year. Gross profit margin increased by 150 basis points to 53.7% and the operating profit margin increased by 130 basis points to 17.2%. Colgate's ongoing strategy to take costs out of the supply chain helped increase the return on capital to 22.8%, up from 20.4% in 1998. Cash flow from operations increased to a record \$1.3 billion, 14.2% of sales, up from 13.1% of sales in 1998. During the year, Colgate purchased 12.8 million common shares at a cost of \$624.4 million as part of its previously announced share buyback programs.

Following are comments about divisional performances:

**Colgate-North America (23% of Company sales)** Colgate-North America had an excellent fourth quarter and year. Consumer-relevant new products and increased advertising helped drive 7% unit volume growth from continuing businesses in the fourth quarter; sales rose 8%. For the year, unit volume and sales from continuing businesses increased 8% and 6%, respectively .

**Colgate-U.S.** outpaced the market growth of its major categories for 1999. In the most recent quarter, Colgate increased U.S. market shares in 8 of 12 major categories. Notably, Colgate has strengthened its No. 1 position in toothpaste, with the success of Colgate Total Fresh Stripe toothpaste, and added incremental toothbrush share with the premium flexible-head Colgate Navigator toothbrush. Continuing its leadership strategy in Oral Care, the Company has just announced the launch of new Colgate Sensitive Maximum Strength Toothpaste and Toothbrush, taking place in the first quarter of 2000. Colgate Sensitive Maximum Strength Toothpaste comes in a dual-chamber tube and has a patented, clinically superior formula for reducing sensitivity.

Colgate's share of the dishwashing market climbed to an all-time high of over 40% at 1999 year-end, on the success of new Palmolive Spring Sensations, a line with sensorial fragrances and vibrant colors. Strong growth in Personal Care resulted from

new Speed Stick clear antiperspirant, and Irish Spring soap with aloe, which has a proprietary moisture retention formula. Colgate also increased its market shares in Canada, attaining record shares in dishwashing liquids and toothpaste, and newly attained leadership positions in deodorants and liquid hand soaps.

Colgate-Latin America (26% of Company sales) Colgate-Latin America achieved 5% unit volume growth in the fourth quarter, paced by robust gains in Mexico, its largest market, and increases in Venezuela, Chile, Colombia, the Dominican Republic, Peru and Uruguay. Brazil's volume was just below that subsidiary's record fourth quarter in 1998, just prior to the economic difficulty the country encountered early in 1999. Reported sales for the quarter decreased 2% due to currency. For the full year, unit volume rose 3% and sales declined 2%, reflecting currency.

Colgate continues to strengthen its Oral Care leadership in Latin America. Colgate Double Cool Stripe toothpaste performed strongly, as did innovative new toothbrushes. The multi-country launch of Colgate Fresh Confidence toothpaste, with a long-lasting fresh taste that appeals to young people, has met excellent acceptance everywhere, especially in the key markets of Mexico and Brazil. Colgate-Mexico gained 3 incremental market share points in toothpaste for the year, and its share is at an all-time high. In Personal Care, the regional launch of the Palmolive Botanicals line has added share in soap, shampoo, conditioner and shower gel. Recent introductions of Lady Speed Stick gel contributed to record underarm market shares in Venezuela, Mexico, Colombia and Chile. Palmolive liquid hand soap has driven Colgate-Mexico to leadership in this segment and is being expanded throughout the region. Transferring a successful new product benefit from Europe, Ajax Fiesta de Flores fragranced cleaner has met terrific success in its eight launch countries.

Colgate-Europe (22% of Company sales) Colgate-Europe delivered strong 8% volume growth and excellent response to its new products in the fourth quarter. Sales, which would have increased 8% excluding currency translation, declined 2%. The United Kingdom, Italy, Germany, Poland and Spain were among the strongest volume performers. Full-year unit volume grew 2% and sales decreased 2%, due to currency.

Product innovation combined with well-executed pan-European rollouts is driving growth across categories. Strong gains in Oral Care include Colgate Sensation Whitening, Colgate 2-in-1 liquid toothpaste and the relaunched Colgate Total toothpaste as well as the Colgate Actibrush battery-powered toothbrush. Bringing specialized cleaning benefits to the kitchen and bathroom, Colgate-Europe has launched Ajax antibacterial cleaners and Ajax Shower Power spray across 14 countries, with excellent results. Colgate continues to grow strongly in Personal Care liquids, adding market share with the new Palmolive shower gel for men and the Palmolive Aquarium Series liquid hand soap, which is modeled after the Company's successful U.S. Softsoap brand. The latest scented fabric softener from Colgate, Soupline Cashmere is adding incremental volume and market share as well.

Colgate-Asia/Africa (17% of Company sales) Asia-Africa unit volume grew 9% in the fourth quarter, led by Colgate's robust momentum in China, rebounding economies in the ASEAN countries, growth in India, successful new products, and geographic expansion. Sales increased 7%. Unit volume also increased strongly for the year, up 7% on 5% sales growth. Colgate-China captured the No. 1 toothpaste position in 1999, expanded distribution to over 400 cities, and entered new categories with Protex soap and shower gel, and Softlan fabric softener. Supporting growth, Colgate has opened a new focused liquids plant in China to supply fabric softener and shampoo.

As the ASEAN recovery has progressed, Colgate has successfully launched new products, including Colgate Total Triple Protection toothpaste, Care translucent baby soap, Palmolive shower gel, Softlan peach fabric softener and Fab with bleach. Among the new introductions fueling growth elsewhere were the Colgate Actibrush and Speed Stick and Lady Speed Stick deodorants in Australia, Protex soap in South Africa, and Colgate toothpowder sachets in India. Colgate is rapidly developing its business in Vietnam, which now includes toothbrushes, shampoo, shower gel, soap and fabric softener, in addition to its fast-growing toothpaste franchise.

Hill's Pet Nutrition (12% of Company sales) Technology-based new products are fueling strong growth at Hill's, the world leader in premium pet nutritional products. Unit volume grew 9% in the fourth quarter and sales expanded 7%. Full-year volume rose 8%, on 7% higher sales. Strong domestic growth for Hill's reflects wide acceptance of Science Diet Feline Hairball Control, which has been expanded with two new life-stage related varieties, and new Prescription Diet products for pets that suffer from renal and liver disease. Business-building activities to increase sales at large-format pet retailers and to increase endorsements by veterinarians are fueling strong growth as well.

Hill's-International achieved excellent results in all regions. Across Europe, the "Perfect Shop/Perfect Clinic" program has improved shelf space and market shares for Hill's. Volume also grew strongly in Japan, where Hill's leads the market for dry dog food. Hill's sells its products in 72 countries worldwide and commands a leading market position in each.

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About Colgate-Palmolive: Colgate-Palmolive is a leading global consumer products company, tightly focused on Oral Care, Personal Care, Household Surface Care, Fabric Care and Pet Nutrition. Colgate sells its products in over 200 countries and territories around the world under such internationally recognized brand names as Colgate, Palmolive, Mennen, Softsoap, Protex, Sorriso, Kolynos, Ajax, Axion, Soupline, Suavitel and Fab, as well as Hill's Science Diet and Hill's Prescription Diet pet

foods. For more information about Colgate's global business, visit the Company's web site on the internet at <http://www.colgatepalmolive.com>.

This press release (other than historical information) contains forward-looking statements. Actual events or results may differ materially from those statements. Investors should consult the Company's filings with the Securities and Exchange Commission (including the Company's Form 8-K dated November 13, 1998) for information about factors which could cause such differences. Copies of these filings may be obtained upon request from the Company's Investor Relations Department.

Colgate-Palmolive Company Summary of Consolidated Results  
 Three Months and Years Ended December 31, 1999 and 1998  
 (Dollars in Millions Except Per Share Amounts)  
 (Unaudited)

	Fourth Quarter	Fourth Quarter	Years	Years
	1999	1998	1999	1998
Net Sales	\$2,343.9	\$2,290.2	\$9,118.2	\$8,971.6
Cost of Sales	1,090.5	1,097.6	4,224.0	4,290.3
Gross Profit	1,253.4	1,192.6	4,894.2	4,681.3
Gross Profit Margin	53.5%	52.1%	53.7%	52.2%
Selling, General and Administrative Expenses	843.5	827.4	3,328.0	3,258.3
Earnings Before Interest and Taxes	409.9	365.2	1,566.2	1,423.0
Operating Profit Margin	17.5%	15.9%	17.2%	15.9%
Net Interest Expense	37.7	38.9	171.6	172.9
Income Before Income Taxes	372.2	326.3	1,394.6	1,250.1
Provision for Income Taxes	111.6	92.1	457.3	401.5
Net Income	260.6	234.2	937.3	848.6
Preferred Dividends, Net of Tax	5.3	5.2	21.0	20.9
Net Earnings Per Common Share				
- Basic	\$ .44	\$ .39	\$1.57	\$1.40
- Diluted	\$ .41	\$ .36	\$1.47	\$1.30
Average Common Shares Outstanding				
- Basic	581.8	586.1	583.1	590.0
- Diluted	637.2	643.6	638.8	648.4

All per share figures are adjusted for the 2-for-1 stock split that took effect on June 30, 1999.