



## **New Colgate Partnership with IBM to Deliver Significant Savings from Procurement and Accounts Payable Services**

New York, New York, March 29, 2006 ... As part of its worldwide efforts to generate global efficiencies, Colgate-Palmolive Company (CL) today announced a seven-year agreement with IBM to provide procurement services for designated materials and services worldwide and to provide accounts payable services for Europe and North America.

The agreement builds upon Colgate's current global best practices for raw and packaging materials purchasing and for the first time extends this approach to all goods and services. Increased purchasing effectiveness is expected to generate more than \$30 million annually in incremental aftertax savings by 2008.

The purchasing and accounts payable changes are a meaningful part of the overall four-year restructuring and business building plan Colgate announced in December 2004. Total savings from the plan are projected to be in the range of \$250 to \$300 million aftertax.

Relying on innovative and unique purchasing tools developed for its global SAP systems, Colgate will oversee all global purchasing carried out both by internal Colgate procurement teams and IBM specialists. This arrangement will provide Colgate an extraordinary capability to deliver industry-leading purchasing expertise to all its global locations.

Under the new agreement, IBM will also manage Colgate's accounts payable function in North America and Europe, streamlining this process and generating additional savings from IBM's best practice capabilities and innovative technologies.

"Colgate is uniquely positioned to benefit from this relationship with IBM, generating continued operating profit growth and investments in driving our growth," said Ian Cook, President and Chief Operating Officer. "Combining Colgate and IBM resources will provide an extraordinary mechanism to increase the efficiency of our purchasing and accounts payable, allowing our subsidiaries to increase their focus on serving consumers and the trade."

"Embracing new ways of managing key business processes, such as procurement and accounts payable, allows leading companies like Colgate to uncover significant new sources of value within their operations," said Ginni Rometty, Senior Vice President, IBM Global Business Services. "We're pleased to help Colgate move its business forward using our organization's expertise in procurement innovation coupled with IBM's well established group of supply chain and accounting professionals."

About Colgate-Palmolive: Colgate-Palmolive is a leading global consumer products company, tightly focused on Oral Care, Personal Care, Home 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, Irish Spring, Protex, Sorriso, Kolynos, Elmex, Ajax, Axion, Soupline, and Suavitel, 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 at <http://www.colgate.com>.

About IBM Global Services: IBM Global Services is the world's largest business and technology services provider. With 190,000 professionals in more than 160 countries, IBM Global Services helps clients integrate information technology with business value -- from the business consulting and transformation services to hosting, infrastructure, outsourcing, technology design and training expertise. IBM Global Services delivers integrated solutions that address its clients business challenges in a way that delivers bottom-line business value. [www.ibm.com](http://www.ibm.com).

This press release (other than historical information) may contain 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 information set forth under the captions "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" in the Company's Form 10-K for the year ended December 31, 2005) for information about factors that could cause such differences. Copies of these filings may be obtained upon request from the Company's Investor Relations Department or the Company's web site at <http://www.colgate.com>.