

Colgate Announces Record 4th Quarter and Full Year Results, 27th Consecutive Quarter of EPS Growth

Colgate-Palmolive Company (NYSE: CL) achieved all-time record sales, operating profit, net income and earnings per share in the fourth quarter and year ended December 31, 2002. Worldwide unit volume rose 6.0% in the fourth quarter, and earnings per share grew 20% to \$0.59 per diluted share vs. \$0.49 per diluted share in the fourth quarter 2001. Excluding the impact of a one-time charge in the fourth quarter of 2001, earnings per share increased 13% from \$0.52 in the year ago quarter. Every operating division worldwide contributed strong volume gains in the quarter. Dollar sales in the fourth quarter rose 4.0%, the largest dollar sales growth in more than five years. Gross profit margin increased 100 basis points to 54.6%, with the increase at the top end of the Company's target range. Operating profit margin grew to 21.5% to sales with increases in every operating division. Worldwide dollar operating profit increased 16%. Excluding the impact of a one-time charge in the fourth quarter of 2001, dollar operating profit grew 12% in the fourth quarter 2002. Excluding the impact of exchange, worldwide sales grew 6% and operating profit increased 18%. Also in the fourth quarter, net income increased 15% to \$340.9 million.

Reuben Mark, Colgate's Chairman and CEO said, "We are delighted with the combination of strong top-line growth, higher margins, increased marketing spending, and significantly higher net profit. Top-line growth momentum and increased profitability provide an excellent foundation for another good year in 2003.

"We are encouraged by the truly exceptional quality of these results as well. 2002 cash generation was strong, after-tax return on capital improved 490 basis points to 34.6%, and further reductions were achieved in our already very low level of working capital. The fact that every important financial ratio moved in the right direction for both the fourth quarter and full year bodes well for the future.

"In 2002, Colgate accelerated new product activity around the world, and we have a full pipeline of new products in each core category for 2003 and 2004. We feel strongly that our continued strategy of strict financial discipline combined with a focus on driving market share and volume will help us achieve strong annual earnings per share increases as in the past."

As previously announced in 2001 and 2002, fourth quarter 2002 results reflect the Company's adoption of SFAS 142 effective January 1, 2002, which eliminates the amortization of goodwill. Also as previously announced, the resultant benefit of \$.02 per share in the fourth quarter from the goodwill elimination was partially offset by increases in pension and benefit expenses.

For the full year 2002, worldwide unit volume grew 4.5%, with each division contributing strong unit volume growth. Dollar sales increased 2.5% to \$9.3 billion. Excluding foreign exchange, worldwide sales grew 5%. Net income rose 12% to \$1,288.3 million. Diluted earnings per share increased 16% to a record \$2.19 versus \$1.89 for full year 2001.

Global market shares increased during the year in key worldwide categories including toothpaste, liquid hand soap, body wash, fabric softeners and pet nutrition. Colgate Total Plus Whitening and Colgate Herbal White toothpastes, Colgate Simply White at-home tooth whitening gel, Palmolive Aromatherapy body wash, Science Diet canine and feline oral care, and Science Diet Nature's Best are among the innovative new products strengthening Colgate's market leadership positions worldwide.

At 11:00 a.m. EST today, Colgate will host a conference call to further elaborate on fourth quarter and year results and to discuss the Company's ongoing expectations. To access this call as a webcast, please go to Colgate's website on the Internet at www.colgate.com.

The following are comments about divisional performance:

North America (26% of Company Sales)

North American unit volume grew 10.5% in the fourth quarter. Dollar sales increased 5.5%, lower than the rate of volume growth due to a combination of investment in growth-oriented promotional activity, including 360-degree marketing programs, and heavy new product expenses. North American operating profit increased a very strong 28% due to volume growth and cost-savings initiatives, and is largely unaffected by the combination of goodwill and benefit changes. For the year, unit volume grew 6%, sales grew 3% and operating profit grew a strong 12%.

Colgate's leadership of the U.S. toothpaste market continued in 2002 with a full-year national ACNielsen value share of 34.2%, five share points ahead of the number two competitor. Aggressive new product activity continued in 2002 with a record 22 new introductions in all categories. In the fourth quarter, Colgate Simply White achieved over 40% value share of the at-home whitening segment based on ACNielsen national market shares. Other innovative new Oral Care products driving growth in 2002 include Colgate Total Plus Whitening toothpaste, Colgate 2 in 1 toothpaste and mouthwash, and Colgate Motion battery-

powered toothbrushes. New products in other categories include Softsoap Aromatherapy body wash and liquid hand soap, Irish Spring Vitamins deodorant bar soap, Mennen Speed Stick Power of Nature deodorant and Palmolive Aromatherapy dishwashing liquid.

The Company's very full new product pipeline in the U.S. will continue to drive growth in 2003. Latest introductions include Colgate Herbal White toothpaste, Colgate Massager manual toothbrush, Irish Spring Icy Blast deodorant bar soap, Softsoap Floral Essentials body wash, Softsoap Foamworks liquid hand soap, and Mennen Speed Stick 24/7 deodorant, offering non-stop protection for young men's busy lifestyles.

Latin America (23% of Company Sales)

Latin America achieved stronger-than-expected 4.0% unit volume growth in the fourth quarter driven by new product success and market share increases. The two largest subsidiaries, Mexico and Brazil, combined grew in excess of 6.0% in volume, while Chile, Colombia, Ecuador, Peru, Central America and the Dominican Republic each contributed healthy volume gains. The fourth quarter volume increase was the best of the year, and positive volume momentum is expected to continue in first quarter 2003. Due to Latin American currency weaknesses, fourth quarter dollar sales declined 8.0% and would have increased 11% excluding exchange. Latin American operating profit excluding exchange increased 12% versus a very strong fourth quarter in 2001, but declined 7% in dollars due to currency devaluation. (Dollar operating profit declined 9% excluding the goodwill accounting change.) For the year 2002, Latin American volume increased 2.5%. Dollar sales and operating profit declined 5.5% and 2%, respectively. Excluding foreign exchange, sales increased 7% and operating profit increased 11%.

Colgate continues to strengthen its already strong market shares in Latin America, especially its Oral Care leadership in the region. In 2002, new product activity across Latin America has driven continued share gain, up over one full share point from its already high level. An array of recent toothpaste introductions are driving growth: Colgate Fresh Confidence Xtreme Red Gel; Colgate Total Plus Whitening; Colgate Triple Action; Colgate Herbal White; and Sorriso Jua + Propolis. Other recent oral care introductions contributing to the region's success include Colgate Premier Ultra and Colgate Active Flexible manual toothbrushes, and Colgate Motion battery-powered toothbrush. Growth drivers in Personal Care include Protex Herbal and Palmolive Naturals bar soaps, Palmolive Naturals and Caprice hair care lines, Mennen Speed Stick Power of Nature deodorant and Lady Speed Stick Boutique deodorant. Highlights in Household Surface Care include Ajax Baking Soda & Citrus, Fabuloso Vibrante Naturaleza, and Fabuloso Aroma de Bebè liquid cleaners.

Europe (21% of Company Sales)

European unit volume grew 3.5% in the fourth quarter 2002, driven by widespread success of new products throughout the region. Russia, Turkey and Hungary led with double-digit volume gains. Healthy increases were also achieved in the United Kingdom, Greece, France, Italy, Spain, the Nordic Group and Romania. In the fourth quarter, dollar sales rose 10.5% and dollar operating profit increased a very strong 25%. (Dollar operating profit increased 21% excluding the goodwill change.) Excluding foreign exchange, fourth quarter sales were flat and operating profit increased 15%. For full year 2002, unit volume grew 5.0%, dollar sales increased 8.0%, and dollar operating profit increased 19%. Excluding foreign exchange, full year 2002 sales increased 3% and operating profit increased 14%.

In Western Europe, successful new products driving growth in Oral Care include Colgate Total Plus Whitening and Colgate Triple Action toothpastes, as well as Colgate 2 in 1 toothpaste and mouthwash. In 2002, Colgate's toothpaste value share increased in eleven countries. New products delivering significant growth in Personal Care include: Palmolive Aromatherapy shower gel, foam bath and liquid hand soap; Palmolive Naturals Milk and Rose shower gel; Palmolive Naturals Citrus and Vitamins shampoo; and Palmolive Soft & Gentle deodorant. The Aromatherapy success has driven Palmolive to European shower gel brand leadership. Other key new product growth contributors include Ajax wipes and Soupline Lily of the Valley fabric conditioner.

Excellent volume growth throughout Central Europe and Russia was driven by the success of Colgate Herbal White and Colgate Total Plus Whitening toothpastes, Colgate Extra Clean and Colgate Navigator manual toothbrushes, Colgate Motion battery-powered toothbrush, Palmolive Fruit Essentials translucent bar soap and shower gel, Palmolive Aromatherapy liquid hand soap and shower gel, Lady Speed Stick Boutique scented deodorants, Ajax wipes and Ajax Fête des Fleurs scourers and glass cleaners.

Asia/Africa (16% of Company Sales)

Asia/Africa unit volume grew 5.0% in the fourth quarter. China, Hong Kong, Malaysia, the Philippines, Thailand, Taiwan, Vietnam, Australia, New Zealand, South Africa, Senegal and Morocco all contributed strong growth, with China posting a double-digit increase. Dollar sales grew 9.5% in the fourth quarter, and dollar operating profit grew 32%. (Dollar operating profit increased 29% excluding the goodwill change.) Excluding the impact of foreign currencies, fourth quarter sales rose 6% and operating profit increased 28%. These excellent results contributed to 4.5% unit volume increase for the full year 2002 versus 2001. Dollar sales grew 4.0% and dollar operating profit increased 19% year over year. For the year 2002, excluding foreign exchange, sales increased 4% and operating profit increased 19%. Operating profit in dollars and as a percent to sales

reached all-time highs for both the quarter and the year.

Successful new products are driving growth throughout the region. In Oral Care, several recent introductions are contributing to incremental sales and shares: Colgate Triple Action, Colgate Total Plus Whitening, Colgate Herbal and Colgate Herbal White toothpastes; Colgate 2 in 1 toothpaste and mouthwash; and Colgate Active Flexible and Colgate Extra Clean manual toothbrushes. In other categories, new products helping to drive volume growth include: Protex Herbal antibacterial bar soap and talc; Palmolive Naturals and Cadum shampoos; Mennen Speed Stick deodorant; Ajax Fêtes des Fleurs liquid cleaner; and Puff and Soupline fabric conditioners.

Hill's Pet Nutrition (14% of Company Sales)

New product innovation and veterinarian endorsements domestically and internationally are fueling growth at Hill's, the world leader in specialty pet food. Fourth quarter unit volume grew 5.0%, dollar sales increased 9.0% and dollar operating profit grew 16% to an all-time record high. Continued improvements in supply chain efficiencies generated savings that funded record high levels of advertising for the quarter and the year. For full year 2002, volume increased 5.5%, dollar sales grew 7.0% and operating profit grew 13% versus 2001.

Hill's dollar share increased in U.S. specialty outlets, where consumption growth continues to outpace category growth. The recent introduction of Science Diet Nature's Best, an all-natural line of cat and dog food, has been instrumental in adding incremental sales and share to the business. The success of this product should continue, with media support currently underway.

Hill's international growth was driven by double-digit volume growth in Australia, South Korea, Taiwan, Malaysia and Eastern Europe. The strong profitable results reflect continued success in innovative new product launches, strong inroads with the veterinary profession and effective merchandising strategies.

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, Irish Spring, 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 www.colgate.com.

The Company's annual meeting of shareholders is currently scheduled for May 6, 2003.

This press release (other than historical information) contains, and the above-mentioned webcast 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 Company's Form 10-K for the year ended December 31, 2001 under the caption "Cautionary Statement on Forward-Looking Statements") 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 on the Internet at www.colgate.com.

Colgate-Palmolive Company Summary of Consolidated Results
 Three Months and Years Ended December 31, 2002 and 2001
 (In Millions Except Per Share Amounts) (Unaudited)

	Fourth Quarter		Year	
	2002	2001	2002	2001
Net Sales	\$2,420.4	\$2,328.5	\$9,294.3	\$9,064.3
Cost of Sales	1,099.7	1,080.1	4,224.2	4,234.9
Gross Profit	1,320.7	1,248.4	5,070.1	4,849.4
Gross Profit Margin	54.6%	53.6%	54.6%	53.4%
Selling, General & Administrative Expenses	800.2	800.1	3,057.0	3,014.6
Operating Profit	520.5	448.3	2,013.1	1,834.8
Operating Profit Margin	21.5%	19.3%	21.7%	20.2%
Net Interest Expense	32.1	36.1	142.8	166.1
Income Before Income Taxes	488.4	412.2	1,870.3	1,668.7
Provision for Income Taxes	147.5	116.9	582.0	522.1
Effective Tax Rate	30.2%	28.4%	31.1%	31.3%
Net Income	340.9	295.3	1,288.3	1,146.6
Net Earnings Per Common Share				
Basic	\$.62	\$.53	\$ 2.33	\$ 2.02
Diluted	\$.59	\$.49	\$ 2.19	\$ 1.89
Average Common Shares Outstanding				
Basic	537.5	551.6	542.7	557.8
Diluted	582.6	600.8	589.1	607.7

SFAS 142, which was adopted on January 1, 2002, resulted in the discontinuance of amortization of goodwill and indefinite life intangible assets. If 2001 had been restated for the impact of SFAS 142, operating profit, net income, and diluted earnings per share would have been \$461.7, \$306.1, and \$.51, respectively, for the quarter ended December 31, 2001 and \$1,889.1, \$1,190.4, and \$1.96, respectively, for the year ended December 31, 2001.