

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1996.

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

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COLGATE-PALMOLIVE COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE

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13-1815595

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

300 PARK AVENUE, NEW YORK, NEW YORK

10022

(Address of principal executive offices)

(Zip Code)

(212) 310-2000

(Registrant's telephone number, including area code)

NO CHANGES

(Former name, former address, and former fiscal year, if changed since last report).

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 x No

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Indicate the number of shares outstanding of each of the issuers classes of common stock, as of the latest practical date:

Class	Shares Outstanding	Date
Common, \$1.00 par value	146,436,788	April 30, 1996

Total number of sequentially numbered pages in this filing, including exhibits thereto:

PART I. FINANCIAL INFORMATION

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended	
	March 31,	
	1996	1995
Net sales	\$2,053.7	\$1,980.3
Cost of sales	1,050.4	1,010.5
Gross profit	1,003.3	969.8
Selling, general and administrative expenses	733.8	685.2
Interest expense (net of interest income of \$9.3 and \$9.1, respectively)	47.1	43.8
	780.9	729.0
Income before income taxes	222.4	240.8
Provision for income taxes	78.9	84.3
Net income	\$ 143.5	\$ 156.5
Earnings per common share:		
Primary:		
Net income per share	\$ .95	\$ 1.05
Assuming full dilution:		
Net income per share	\$ .89	\$ .97
Dividends declared per common share*:	\$ .94	\$ .82

\* Includes two dividend declarations in both periods.

See Notes to Condensed Consolidated Financial Statements.

## COLGATE-PALMOLIVE COMPANY

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)  
(Unaudited)

## ASSETS

	March 31, 1996	December 31, 1995
Current Assets:		
Cash and cash equivalents	\$ 206.9	\$ 208.8
Marketable securities	52.5	47.8
Receivables (less allowance of \$31.9 in both periods)	1,105.1	1,116.9
Inventories	810.4	774.8
Other current assets	242.3	211.9
	-----	-----
	2,417.2	2,360.2
Property, Plant and Equipment:		
Cost	3,683.4	3,599.4
Less: Accumulated depreciation	1,484.6	1,444.2
	-----	-----
	2,198.8	2,155.2
Goodwill and other intangible assets (net of accumulated amortization of \$316.0 and \$295.3)	2,785.5	2,741.7
Other assets	400.1	385.2
	-----	-----
	\$7,801.6	\$7,642.3
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

## COLGATE-PALMOLIVE COMPANY

## CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)  
(Unaudited)

## LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 1996	December 31, 1995
	-----	-----
Current Liabilities:		
Notes and loans payable	\$ 264.7	\$ 204.4
Current portion of long-term debt	34.0	37.0
Accounts payable	748.6	738.7
Accrued income taxes	95.4	76.6
Other accruals	766.2	696.4
	-----	-----
	1,908.9	1,753.1
	-----	-----
Long-term debt	2,953.5	2,992.0
Deferred income taxes	242.2	237.3
Other liabilities	1,000.0	980.1
Shareholders' Equity:		
Preferred stock	402.0	403.5
Common stock	183.2	183.2
Additional paid-in capital	1,046.6	1,033.7
Retained earnings	2,397.7	2,392.2
Cumulative foreign currency translation adjustments	(516.1)	(513.0)
	-----	-----
	3,513.4	3,499.6
Unearned compensation	(375.1)	(378.0)
Treasury stock, at cost	(1,441.3)	(1,441.8)
	-----	-----
	1,697.0	1,679.8
	-----	-----
	\$7,801.6	\$7,642.3
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

## COLGATE-PALMOLIVE COMPANY

## CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)  
(Unaudited)

	Three Months Ended	
	March 31,	
	1996	1995
-----		
Operating Activities:		
-----		
Net cash provided by operating activities	\$ 175.0	\$ 138.1
	-----	-----
Investing Activities:		
-----		
Capital expenditures	(107.4)	(82.6)
Payments for acquisitions, net of cash acquired	(17.3)	(1,216.7)
Purchase of marketable securities and other investments, net	(2.4)	(34.5)
Other, net	(21.4)	(9.6)
	-----	-----
Net cash used for investing activities	(148.5)	(1,343.4)
	-----	-----
Financing Activities:		
-----		
Principal payments on debt	(7.3)	(7.4)
Proceeds from issuance of debt, net	39.2	1,274.9
Dividends paid	(69.0)	(59.7)
Purchase of common stock	-	(9.0)
Other, net	9.9	7.8
	-----	-----
Net cash (used for) provided by financing activities	(27.2)	1,206.6
	-----	-----
Effect of exchange rate changes on cash and cash equivalents	(1.2)	0.3
	-----	-----
Net (decrease) increase in cash and cash equivalents	(1.9)	1.6
Cash and cash equivalents at beginning of period	208.8	169.9
	-----	-----
Cash and cash equivalents at end of period	\$ 206.9	\$ 171.5
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

## COLGATE-PALMOLIVE COMPANY

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars in Millions Except Per Share Amounts)

(Unaudited)

1. The condensed consolidated financial statements reflect all normal recurring adjustments which, in management's opinion, are necessary for a fair presentation of the results for interim periods. Results of operations for the three months ended March 31, 1996 and 1995 may not be representative of results to be expected for a full year.
2. Provision for certain expenses, including income taxes, media advertising, consumer promotion and new product introductory costs, are based on full year assumptions. Such expenses are charged to operations in the year incurred and are included in the accompanying condensed consolidated financial statements in proportion with the passage of time or with estimated annual tax rates or annual sales.

3. Inventories by major classes were as follows:

	March 31, 1996	December 31, 1995
	-----	-----
Raw materials and supplies	\$ 320.8	\$ 313.8
Work-in-process	43.6	38.3
Finished goods	446.0	422.7
	-----	-----
	\$ 810.4	\$ 774.8
	=====	=====

4. Primary earnings per share are determined by dividing net income, after deducting dividends on preferred stock, net of related tax benefits, by the weighted average number of common shares outstanding. Fully diluted earnings per common share are calculated assuming the conversion of all potentially dilutive securities, including convertible preferred stock and outstanding options. This calculation also assumes reduction of available income by pro forma ESOP replacement funding, net of income taxes.
5. As described in Note 3 to the Company's consolidated financial statements included in its Annual Report on Form 10-K, Colgate-Palmolive acquired the worldwide Kolynos oral care business from American Home Products in January 1995. The acquisition is currently being reviewed by antitrust regulatory authorities in Brazil. While it is not yet possible to definitely determine whether or not approval will be obtained, management believes the acquisition, or some variation thereof, will eventually be approved.
6. As described in Note 4 to the Company's consolidated financial statements included in its Annual Report on Form 10-K, Colgate-Palmolive recorded a charge for restructuring its worldwide manufacturing and administrative operations in September 1995. Reserves relating to this program totaled approximately \$435.6 and \$407.4 at December 31, 1995 and March 31, 1996, respectively. Management believes that the costs of the restructuring program will be financed through cash from operations and does not anticipate any significant impact on its liquidity as a result of the restructuring program.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Dollars in Millions Except Per Share Amounts)

(Unaudited)

7. Reference is made to the Company's 1995 Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year 1995 for a complete set of financial notes including the Company's significant accounting policies.

COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

-----  
CONDITION AND RESULTS OF OPERATIONS  
-----

(Dollars in Millions Except Per Share Amounts)

Results of Operations  
-----

Worldwide sales reached \$2,053.7 in the first quarter of 1996, a 4% increase over the 1995 first quarter. Sales were impacted by the continuing recession in Mexico, resulting from the earlier peso maxi-devaluation as well as the Venezuelan economic stagnation. Excluding these two countries' results sales and unit volume were up 6%. All worldwide operating divisions grew in sales and volume.

Sales in the Oral, Personal and Household Care segment were \$1,869.9 up 3% from \$1,819.8 in 1995. Unit volume gains across all geographic regions contributed to the growth.

Colgate-Asia/Africa sales increased 7% to \$415.0 on volume gains of 8%. Contributing to this region's growth were excellent results in greater China, Hong Kong, India, New Zealand, Taiwan and the Philippines. New products like Protex antibacterial body cleansing products, fabric softener and toothbrushes are complementing the Company's existing brand strength.

Colgate-Europe sales increased 2% to \$526.9 on a volume increase of 1% as well as favorable currency gains. Austria, Greece, Germany and the Netherlands achieved positive volume growth while France and Portugal were affected by economic softness. Volume was strong in Central Europe, particularly in Poland and Russia. Colgate Total toothpaste was launched in Germany, while a new variant named Colgate Total Fresh Stripe is adding sales throughout Europe. Other European new products include the new Palmolive shower gel, Protex, Ajax Expel cleanser and Respons hair conditioner.

Colgate-Latin America sales were \$489.5, approximately equal to the 1995 record first quarter. Expected declines in Mexico and Venezuela were offset by excellent results throughout the balance of Latin America. Excluding the effects of Mexico and Venezuela, sales increased 10% on 12% unit volume gains. Brazil, Colombia and Argentina achieved healthy increases in both sales and volume.

Colgate-North America sales grew 4% to \$438.5 on volume gains of 4%. New product introductions including Mennen Speed Stick Gel and Palmolive Ultra dishwashing detergent as well as continued strength from the 1995 introductions of Colgate Baking Soda & Peroxide toothpaste, Irish Spring Waterfall Clean soap and Palmolive dishwashing liquid & antibacterial hand soap contributed to the growth.



COLGATE-PALMOLIVE COMPANY

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

-----  
CONDITION AND RESULTS OF OPERATIONS  
-----

(Dollars in Millions Except Per Share Amounts)

Sales in the Pet Nutrition segment increased 15% to \$183.8 on volume gains of 14%. This growth was driven by benefits from the strategic shift to an in-house sales force from outside distributors, increased advertising and successful new product introductions including Hill's Science Diet Canine Lamb & Rice and Science Diet Canned Varieties, launched mid-1995.

Worldwide gross profit margin of 48.9% virtually equaled that of the 1995 record first quarter, as the Company continues to focus on cost reduction and shifting product mix towards high-margin oral and personal care products, and was well ahead of the fourth quarter of 1995 (47.9%).

Selling, general and administrative expenses in the 1996 first quarter increased as a percentage of sales to 35.7% from 34.6% in the prior year. The higher levels of expense include increased advertising and other marketing and selling expenses to support both new product introductions and established brands worldwide.

Earnings before interest and taxes (EBIT) declined 5.3% to \$269.5, impacted by the recession in Mexico and Venezuela which affected sales, and higher levels of selling, general and administrative expenses.

Interest expense, net of interest income, was \$47.1 in the 1996 first quarter as compared with \$43.8 in 1995.

The effective tax rate for the quarter was 35.5% in 1996 and 35.0% in 1995. The 35.5% rate reflects the Company's current estimate of its full year effective income tax rate which is slightly higher than the 1995 full year rate of 34.3% excluding the restructuring charge.

First quarter 1996 net income was \$143.5 or \$.95 per share compared with \$156.5 or \$1.05 per share in the prior year. The decline in earnings, as expected, reflects the effects of the economic downturn versus the year ago quarter.

Liquidity and Capital Resources

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Net cash provided by operations increased to \$175.0 in the 1996 first quarter compared with \$138.1 in the prior year. At March 31, 1996, \$875.7 of commercial paper and \$203.2 of other short-term borrowings were classified as long-term debt in accordance with the Company's intent and ability to refinance these obligations on a long-term basis.

Reference should be made to the 1995 Annual Report on Form 10-K for additional information regarding available sources of liquidity and capital.

COLGATE-PALMOLIVE COMPANY

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Note 14 to the consolidated financial statements on page 35 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1995.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

- Exhibit 10-A Amendment No. 1, dated as of March 22, 1996, to the U.S. \$900,000,000 Five Year Credit Agreement, dated as of March 24, 1995.
- Exhibit 10-B Amendment No. 1, dated as of March 22, 1996, to the U.S. \$1,000,000,000 364 Day Credit Agreement, dated as of March 24, 1995.
- Exhibit 10-C Amendment No. 2, dated as of March 23, 1996, to the U.S. \$900,000,000 Five Year Credit Agreement, dated as of March 24, 1995.
- Exhibit 11 Computation of Earnings per Common Share.
- Exhibit 12 Ratio of Earnings to Fixed Charges.
- Exhibit 27 Financial Data Schedule

(b) Reports on Form 8-K.

A report on Form 8-K dated March 29, 1996 was filed by the Company reporting the execution of a Distribution Agreement relating to its Medium-Term Notes, Series C.

SIGNATURE

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Pursuant to the requirements 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

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(Registrant)

Principal Accounting Officer:

May 10, 1996

/s/ Stephen C. Patrick

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Stephen C. Patrick  
Vice President  
Corporate Controller

AMENDMENT No. 1 (this "Amendment") to the U.S. \$900,000,000 Five Year Credit Agreement, dated as of March 24, 1995, among Colgate-Palmolive Company, as Borrower, the Lenders parties thereto, Citibank, N.A., as Administrative Agent, and Morgan Guaranty Trust Company of New York, as Documentation Agent, (such credit agreement, the "Credit Agreement"). All capitalized terms used but not defined herein, shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrower and the Lenders wish to amend the Credit Agreement on the terms and subject to the conditions set forth below.

NOW THEREFORE, the Borrower and the Lenders hereby agree as follows:

1. Section 1.01 of the Credit Agreement is hereby amended by deleting, in its entirety the definition of "Termination Date" and replacing such definition with the following:

"Termination Date" means the earlier of (a) March 22, 2001  
-----  
and (b) the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01.

2. Section 2.04 of the Credit Agreement is hereby amended by deleting in its entirety the chart contained in Subsection (a) thereof and replacing such chart with the following:

Moody's -----		S&P ---	Utilization  Fee -----	Facility  Fee -----
A3 or above	and	A- or above	0.000%	0.080%
Baa2 or above	and	BBB or above	0.050%	0.125%
Lower than above or not rated			0.150%	0.200%

3. Section 2.07 of the Credit Agreement is hereby amended by deleting in its entirety the chart contained in Subsection (b) thereof and replacing such chart with the following:

Moody's -----		S&P ---	Rate ----
A3 or above	and	A- or above	0.145%
Baa2 or above	and	BBB or above	0.200%
Lower than above or not rated			0.350%

4. This Amendment shall become effective, as of the date below, when the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and all of the Lenders or, as to any of the Lenders, advice satisfactory to the Administrative Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 8.01 of the Credit Agreement.

5. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

6. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

7. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes, to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Credit Agreement or the Notes, or constitute a waiver of any provision of the Credit Agreement or the Notes.



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of March 22, 1996.

COLGATE-PALMOLIVE COMPANY

By /s/ Brian J. Heidtke

-----  
Vice President Finance and Corporate  
Treasurer





Lenders

CITIBANK, N.A.

By /s/ Rosemary M. Bell

-----  
Title: Attorney-in-Fact

MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK

By /s/ Timothy S. Broadbent

-----  
Title: Vice President

ABN AMRO BANK

By /s/ Francis O. Logan

-----  
Title: Vice President

By /s/ Thomas Rogers

-----  
Title: Assistant Vice President

BANK OF AMERICA NATIONAL TRUST &  
SAVINGS ASSOCIATION

By /s/ David Noda

-----  
Title: Vice President



BANQUE NATIONALE DE PARIS

By /s/ Richard L. Sted  
-----  
Title: Senior Vice President

By /s/ Bonnie G. Eisenstat  
-----  
Title: Vice President

BANCA COMMERCIALE ITALIANA

By /s/ Charles Dougherty  
-----  
Title: Vice President

By /s/ Sarah Kim  
-----  
Title: Assistant Vice President

CHEMICAL BANK

By /s/ Scott S. Ward  
-----  
Title: Vice President

COOPERATIEVE CENTRALE AIFFEISEN-  
BOERENLEENBANK (RABOBANK)

By [Commitment Assigned]  
-----  
Title:

THE BANK OF NEW YORK

By /s/ William Kerr  
-----  
Title: Vice President



BANQUE PARIBAS

By /s/ John J. McCormick, III  
-----  
Title: Vice President

By /s/ Mary T. Finnegan  
-----  
Title: Group Vice President

THE CHASE MANHATTAN BANK

By /s/ Karen M. Sharf  
-----  
Title: Vice President

CREDIT SUISSE

By /s/ David W. Kratovil  
-----  
Title: Member of Senior Management

By /s/ Chris T. Horgan  
-----  
Title: Associate

DEUTSCHE BANK AG, NEW YORK AND/OR  
CAYMAN ISLANDS BRANCHES

By /s/ Stephan A. Wiedemann  
-----  
Title: Vice President

By /s/ Thomas A. Foley  
-----  
Title: Assistant Vice President

NATIONS BANK, N.A. (CAROLINAS)

By /s/ Scott A. Jackson  
-----  
Title: Vice President



ROYAL BANK OF CANADA

By /s/ David A. Barsalou  
-----  
Title: Senior Manager

SOCIETE GENERALE

By /s/ Bruce Drossman  
-----  
Title: Vice President

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Judy Mayberry  
-----  
Title: Vice President

NATIONAL WESTMINSTER BANK PLC

By /s/ Maria Amaral-LeBlanc  
-----  
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By /s/ Thomas R. Colwell  
-----  
Title: Vice President





ISTITUTO BANCARIO SAN PAOLO DI  
TORINO SPA

By /s/ Wendell Jones  
-----  
Title: Vice President

By /s/ Robert S. Wurster  
-----  
Title: 1st. Vice President

UNION BANK OF SWITZERLAND

By /s/ Daniel H. Perron  
-----  
Title: Vice President

By /s/ Daniel R. Strickford  
-----  
Title: Assistant Vice President

\$750,000,000.00

Total of the Commitments

AMENDMENT No. 1 (this "Amendment") to the U.S. \$1,000,000,000 364 Day Credit Agreement, dated as of March 24, 1995, among Colgate-Palmolive Company, as Borrower, the Lenders parties thereto, Citibank, N.A., as Administrative Agent, and Morgan Guaranty Trust Company of New York, as Documentation Agent, (such credit agreement, the "Credit Agreement"). All capitalized terms used but not defined herein, shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrower and the Lenders wish to amend the Credit Agreement on the terms and subject to the conditions set forth below.

NOW THEREFORE, the Borrower and the Lenders hereby agree as follows:

1. Section 1.01 of the Credit Agreement is hereby amended by deleting, in its entirety the definition of "Termination Date" and replacing such definition with the following:

"Termination Date" means the earlier of (a) subject to the ----- provisions of Section 8.11, the 364th day after the date of this Amendment and (b) the date of termination in whole of the Commitments pursuant to Section 2.05 or 6.01.

2. Section 2.04 of the Credit Agreement is hereby amended by deleting in its entirety the chart contained in Subsection (a) thereof and replacing such chart with the following:

Moody's -----		S&P ---	Utilization Fee -----	Facility Fee -----
A3 or above	and	A- or above	0.000%	0.050%
Baa2 or above	and	BBB or above	0.050%	0.100%
Lower than above or not rated			0.150%	0.175%

3. Section 2.07 of the Credit Agreement is hereby amended by deleting in its entirety the chart contained in Subsection (b) thereof and replacing such chart with the following:

Moody's -----		S&P ---	Rate ----
A3 or above	and	A- or above	0.175%
Baa2 or above	and	BBB or above	0.225%
Lower than above or not rated			0.375%

4. This Amendment shall become effective, as of the date below, when the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and all of the Lenders or, as to any of the Lenders, advice satisfactory to the Administrative Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 8.01 of the Credit Agreement.

5. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

6. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.

7. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes, to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.

(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Credit Agreement or the Notes, or constitute a waiver of any provision of the Credit Agreement or the Notes.



IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of March 22, 1996.

COLGATE-PALMOLIVE COMPANY

By /s/ Brian J. Heidtke

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Treasurer



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Title: 1st. Vice President

UNION BANK OF SWITZERLAND

By /s/ Daniel H. Perron  
-----

Title: Vice President

By /s/ Daniel R. Strickford  
-----

Title: Assistant Vice President

\$250,000,000.00

Total of the Commitments

AMENDMENT No. 2 (this "Amendment") to the U.S. \$900,000,000 Five Year Credit Agreement, dated as of March 24, 1995, among Colgate-Palmolive Company, as Borrower, the Lenders parties thereto, Citibank, N.A., as Administrative Agent, and Morgan Guaranty Trust Company of New York, as Documentation Agent, as amended (such credit agreement, the "Credit Agreement"). All capitalized terms used but not defined herein, shall have the meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrower and the Lenders wish to amend the Credit Agreement on the terms and subject to the conditions set forth below.

NOW THEREFORE, the Borrower and the Lenders hereby agree as follows:

1. Section 5.02(d) of the Credit Agreement is hereby amended by deleting the reference therein to "March 24, 1996" and replacing such date with "April 1, 1997".
2. This Amendment shall become effective, as of the date below, when the Administrative Agent shall have received counterparts of this Amendment executed by the Borrower and the Required Lenders or, as to any of the Required Lenders, advice satisfactory to the Administrative Agent that such Lender has executed this Amendment. This Amendment is subject to the provisions of Section 8.01 of the Credit Agreement.
3. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.
4. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Amendment by telecopier shall be effective as delivery of a manually executed counterpart of this Amendment.
5. (a) On and after the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the Notes, to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment.  
  
(b) The Credit Agreement and the Notes, as specifically amended by this Amendment, are and shall continue to be in full force and effect and are hereby in all respects ratified and confirmed.



(c) The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of any Lender or the Administrative Agent under the Credit Agreement or the Notes, or constitute a waiver of any provision of the Credit Agreement or the Notes.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of March 23, 1996.

COLGATE-PALMOLIVE COMPANY

By /s/ Brian J. Heidtke

-----

Vice President Finance and Corporate  
Treasurer



Lenders

CITIBANK, N.A.

By /s/ Michel R. R. Pendill

-----

Title: Vice President

MORGAN GUARANTY TRUST COMPANY  
OF NEW YORK

By /s/ Laura E. Reim

-----

Title: Vice President

ABN AMRO BANK

By /s/ Francis O. Logan

-----

Title: Vice President

By /s/ John F. Lacey

-----

Title: Senior Vice President

BANK OF AMERICA NATIONAL TRUST &  
SAVINGS ASSOCIATION

By /s/ William L. Hess

-----

Title: Managing Director



BANQUE NATIONALE DE PARIS

By /s/ Richard L. Sted  
-----  
Title: Senior Vice President

By /s/ Bonnie G. Eisenstat  
-----  
Title: Vice President

BANCA COMMERCIALE ITALIANA

By /s/ Charles Dougherty  
-----  
Title: Vice President

By /s/ Sarah Kim  
-----  
Title: Assistant Vice President

CHEMICAL BANK

By /s/ Carol A. Ulmer  
-----  
Title: Vice President

COOPERATIEVE CENTRALE AIFFEISEN-  
BOERENLEENBANK (RABOBANK)

By [Commitment Assigned]  
-----  
Title:

THE BANK OF NEW YORK

By /s/ William Kerr  
-----  
Title: Vice President



BANQUE PARIBAS

By /s/ Mary T. Finnegan  
-----  
Title: Group Vice President

By /s/ John J. McCormick, III  
-----  
Title: Vice President

THE CHASE MANHATTAN BANK

By /s/ Carol A. Ulmer  
-----  
Title: Vice President

CREDIT SUISSE

By /s/ David W. Kratovil  
-----  
Title: Member of Senior Management

By /s/ Robert B. Potter  
-----  
Title: Member of Senior Management

DEUTSCHE BANK AG, NEW YORK AND/OR  
CAYMAN ISLANDS BRANCHES

By /s/ Stephan A. Wiedemann  
-----  
Title: Vice President

By /s/ Thomas A. Foley  
-----  
Title: Assistant Vice President

NATIONS BANK, N.A.

By /s/ Scott A. Jackson  
-----  
Title: Vice President





ROYAL BANK OF CANADA

By /s/ David A. Barsalou  
-----  
Title: Senior Manager

SOCIETE GENERALE

By /s/ Bruce Drossman  
-----  
Title: Vice President

THE FIRST NATIONAL BANK OF CHICAGO

By /s/ Judy Mayberry  
-----  
Title: Vice President

NATIONAL WESTMINSTER BANK PLC

By /s/ Maria Amaral-LeBlanc  
-----  
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION

By /s/ Mark Williams  
-----  
Title: Vice President



ISTITUTO BANCARIO SAN PAOLO DI  
TORINO SPA

By /s/ Wendell Jones  
-----

Title: Vice President

UNION BANK OF SWITZERLAND

By /s/ Daniel R. Strickford  
-----

Title: Assistant Vice President

By /s/ David G. Dickinson, Jr.  
-----

Title: Assistant Treasurer

\$750,000,000.00

Total of the Commitments



COLGATE-PALMOLIVE COMPANY

COMPUTATION OF EARNINGS PER COMMON SHARE

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

	Three Months Ended March 31,	
	----- 1996 -----	----- 1995 -----
PRIMARY		
Earnings:		
Net income	\$ 143.5	\$ 156.5
Deduct: Dividends on preferred shares, net of income taxes	5.4 -----	5.4 -----
Net income applicable to common shares	\$ 138.1 =====	\$ 151.1 =====
Shares (in millions):		
Weighted average shares outstanding	146.1 =====	144.5 =====
Earnings per common share, primary:		
Net income per share	\$ .95 =====	\$ 1.05 =====

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF EARNINGS PER COMMON SHARE

Dollars in Millions Except Per Share Amounts  
(Unaudited)

	Three Months Ended March 31,	
	1996	1995
ASSUMING FULL DILUTION		
Earnings:		
Net income	\$ 143.5	\$ 156.5
Deduct: Dividends on preferred shares	.1	.1
Deduct: Replacement funding resulting from assumed conversion of Series B Convertible Preference Stock, net of tax	1.2	1.8
Net income applicable to common shares	\$ 142.2	\$ 154.6
	=====	=====
Shares (in millions):		
Weighted average number of common shares outstanding	146.1	144.5
Add: Assumed exercise of options reduced by the number of shares which could have been purchased with the proceeds from the exercise of such options	2.5	2.2
Add: Assumed conversion of Series B convertible Preference Stock	12.0	12.2
Weighted average number of common shares outstanding, as adjusted	160.6	158.9
	=====	=====
Earnings per common share, assuming full dilution:		
Net income per share	\$ .89	\$ .97
	=====	=====

## COLGATE-PALMOLIVE COMPANY

## COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in Millions)  
(Unaudited)

	Three Months Ended March 31, 1996 -----
Income before income taxes	\$ 222.4
Add:	
Interest on indebtedness and amortization of debt expense and discount or premium	56.4
Portion of rents representative of interest factor	7.7
Interest on ESOP debt, net of dividends	0.5
Less:	
Income of less than fifty-percent-owned subsidiaries	(1.5)
Income as adjusted	\$ 285.5 -----
Fixed Charges:	
Interest on indebtedness and amortization of debt expense and discount or premium	\$ 56.4
Portion of rents representative of interest factor	7.7
Interest on ESOP debt, net of dividends	0.5
Capitalized interest	5.0 -----
Total fixed charges	\$ 69.6 -----
Ratio of earnings to fixed charges	4.1 -----

In June 1989, the Company's leveraged employee stock ownership plan (ESOP) issued \$410.0 of 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 during the first quarter of 1996 was \$8.4. 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.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE QUARTERLY REPORT ON FORM 10-Q FOR THE THREE MONTHS ENDED MARCH 31, 1996 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

3-MOS	DEC-31-1996	MAR-31-1996
		207
		53
	1,137	32
		810
	2,417	3,683
	1,485	
	7,802	
1,909		2,954
0		402
		183
		1,112
7,802		2,054
	2,054	1,050
		734
	0	
	0	
	47	
	222	
		79
144		0
	0	
		0
		144
	0.95	
	0.89	