

## Colgate Reports Quarterly Earnings EPS up 17% in Third Quarter Global Unit Volume up 7% October 16, 1997

New York, New York, October 16th, 1997 ... -

Colgate-Palmolive Company (NYSE:CL) announced record third quarter earnings, fueled by strong 7 percent growth in global unit volume and a large increase in gross margin.

Net income of \$188.6 million was the highest for any quarter in Colgate's history, up 17 percent from the third quarter of 1996. Earnings per share at \$.62 were also up 17 percent and set a new record. Sales increased 3 percent to \$2.3 billion and would have risen 9 percent without the effect of currency.

Reuben Mark, Chairman and CEO, said: "We are pleased that strong new product activity combined with a healthy boost in worldwide advertising led to across-the-board volume increases, with every operating division participating in the growth. The quarter was characterized by market share increases in our core categories both here in the United States and abroad.

"Our sharp focus on productivity and cost savings led to a strong 170-basis-point increase in gross margin. Increased margin, in turn, allowed us to invest further in business-building advertising worldwide, while increasing both operating profit and net income at a double-digit rate. I am especially pleased that our strong results were achieved despite the well-publicized currency declines in Europe and Asia."

### Colgate-Latin America (26 percent of Company sales)

With widespread gains throughout Colgate's largest division, sales rose 15 percent on 12 percent unit volume growth, paced by very strong growth in Mexico, Brazil, Colombia, Ecuador and the Dominican Republic. Colgate's Oral Care business grew strongly throughout the region from new products, such as Colgate baking soda & peroxide, Colgate Double Cool Stripe and the Colgate Classic Deluxe toothbrush, as well as from consumption-building activities. Popular new offerings also contributed to excellent regional growth in Personal Care, notably Protex Fresh soap, Optimis and Caprice hair styling aides and Lady Speed Stick Invisible antiperspirant, while new affordable package sizes and variants contributed to strong growth in fabric softeners.

### Colgate-Europe (23 percent of Company sales)

Fueled by new product activity, Colgate-Europe delivered increased unit volume of 6 percent, with large increases in France, Germany, Belgium, Poland and the Nordic group. Translation of European currencies resulted in a 7 percent decline in reported dollar sales for the region. This was the seventh consecutive quarter of positive volume momentum for Colgate in Europe. The new Colgate Sensation toothpaste and toothbrush are adding to Colgate's pan-European leadership in Oral Care as new Ajax Fete des Fleurs and Ajax Expel are building its leadership in cleaners. Palmolive Shower Gel & Liquid Soap, Tahiti deodorant and Palmolive antibacterial dishwashing liquid also are contributing strongly to growth.

### Colgate-North America (22 percent of Company sales)

Led by strong growth in the US, Colgate-North America achieved 5 percent increases in both sales and unit volume. Recent domestic new product introductions, including Colgate Whitening with baking soda & peroxide toothpaste, the premium Colgate Wave toothbrush, Palmolive pots & pans dishwashing liquid, Softsoap body wash and others are lifting market shares and sales. Third-quarter US market shares increased vs. year-end 1996 for 9 of the 12 categories in which Colgate competes. Colgate Total, recently approved by the FDA, is drawing an extraordinary response from trade accounts during its initial sell-in. Retail shipments begin before year-end.

### Colgate-Asia/Africa (19 percent of Company sales)

With India, China, Hong Kong, Taiwan and the South Pacific leading the growth, unit volume rose 6 percent, while the sharp decline in Southeast Asian currencies kept reported sales level with the previous year. New products winning additional volume and market share include Colgate Junior toothpaste and toothbrush, Palmolive Optima shampoo, Palmolive Nature's Resources shower cream and soap, Fabuloso fragranced cleaner and Axion dishwashing paste.

### Hill's Pet Nutrition (10 percent of Company sales)

The global leader in specialty pet food, Hill's increased sales 5 percent in the third quarter on unit volume growth of 4 percent. Hill's-International continues to experience the fastest growth, led by Japan, where Hill's has introduced 11 new products this year and greatly increased television advertising. Domestically, Hill's is benefiting from national TV advertising and improved customer service.

Colgate-Palmolive Company is a leading global consumer products company tightly focused on Oral Care, Personal Care, Household Care, Fabric Care and Pet Nutrition. Colgate sells its quality products in more than 200 countries under such internationally recognized brand names as Colgate, Palmolive, Mennen, Kolynos, Ajax, Soupline, Suavitel and Fab as well as

Hill's Science Diet and Hill's Prescription Diet pet foods.

(Table Attached)

Colgate-Palmolive Company Summary of Consolidated Results

Three Months and Nine Months Ended September 30, 1997 and 1996

(In Millions Except Per Share Amounts)

(Unaudited)

	Third Quarter 1997	Third Quarter 1996	Nine Months 1997	Nine Months 1996
Net Sales	\$2,297.2	\$2,230.6	\$6,745.2	\$6,451.6
Cost of Sales	1,130.5	1,135.8	3,329.8	3,292.5
Gross Profit	1,166.7	1,094.8	3,415.4	3,159.1
Gross Profit Margin	50.8%	49.1%	50.6%	49.0%
Selling, General and Administrative Expenses	832.6	799.1	2,461.3	2,313.4
Earnings Before Interest & Taxes	334.1	295.7	954.1	845.7
Net Interest Expense	46.6	50.4	139.3	150.6
Income Before Income Taxes	287.5	245.3	814.8	695.1
Provision for Income Taxes	98.9	84.4	280.8	241.8
Net Income	188.6	160.9	534.0	453.3
Preferred Dividends, Net of Tax	5.2	5.3	15.7	16.1
Earnings Per Common Share	\$.62	\$.53	\$1.76	\$1.49
Average Common Shares Outstanding	295.9	293.6	295.3	292.9

Assuming full dilution, earnings per common share were \$.58 vs. \$.50 for the third quarter and \$1.63 vs. \$1.40 for the first nine months ended September 30, 1997 and 1996. Average common shares outstanding assuming full dilution were 326.8 vs. 322.3 in the third quarters and 326.7 vs. 321.8 in the first nine months.

All share and per share amounts reflect the 1997 two-for-one common stock split.