FORM 10-Q

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 September 30, 2001.

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

COLGATE-PALMOLIVE COMPANY
(Exact name of registrant as specified in its charter)

DELAWARE	13-1815595
(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

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	551,714,856	October 31, 2001

PART I. FINANCIAL INFORMATION

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
Net sales	$ 2,391.2	$ 2,366.5	$ 7,013.4	$ 6,945.0
Cost of sales	1,072.0	1,073.0	3,155.8	3,159.4
Gross profit	1,319.2	1,293.5	3,857.6	3,785.6
Selling, general and administrative expenses	843.8	851.9	2,471.1	2,501.4
Interest expense	46.2	54.8	139.5	155.1
Interest income	(2.7)	(6.5)	(9.5)	(21.5)
Income before income taxes	431.9	393.3	1,256.5	1,150.6
Provision for income taxes	135.7	118.0	405.2	373.5
Net income	$ 296.2	$ 275.3	$ 851.3	$ 777.1
Earnings per common share:				
Basic	$ .52	$ .47	$ 1.49	$ 1.32
Diluted	$ .49	$ .44	$ 1.40	$ 1.24
Dividends declared per common share	$ .18	$ .16	$ .50	$ .47

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

ASSETS

	September 30, 2001	December 31, 2000
Current assets:		
Cash and cash equivalents	$ 289.6	$ 206.6
Marketable securities	2.7	5.9
Receivables (net of allowances of $41.7 and $39.8)	1,146.9	1,195.4
Inventories	725.4	686.6
Other current assets	240.1	252.7
	2,404.7	2,347.2
Property, plant and equipment:		
Cost	4,305.3	4,287.3
Less: Accumulated depreciation	1,851.7	1,759.0
	2,453.6	2,528.3
Goodwill and other intangible assets (net of accumulated amortization of $702.2 and $651.0)	1,930.0	2,096.4
Other assets	334.5	280.4
	$ 7,122.8	$ 7,252.3

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	September 30, 2001	December 31, 2000
Current liabilities:		
Notes and loans payable	$ 104.6	$ 121.1
Current portion of long-term debt	358.3	320.2
Accounts payable	665.9	738.9
Accrued income taxes	199.6	163.7
Other accruals	827.5	900.2
	2,155.9	2,244.1
Long-term debt	3,083.3	2,536.9
Deferred income taxes	441.0	447.3
Other liabilities	634.3	555.9
Shareholders' equity:		
Preferred stock	343.5	354.1
Common stock	732.9	732.9
Additional paid-in capital	1,109.5	1,144.9
Retained earnings	5,457.3	4,893.7
Accumulated other comprehensive income	(1,461.5)	(1,269.7)
	6,181.7	5,855.9
Unearned compensation	(345.3)	(344.4)
Treasury stock, at cost	(5,028.1)	(4,043.4)
	808.3	1,468.1
	$ 7,122.8	$ 7,252.3

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Millions)

(Unaudited)

	Nine Months Ended September 30, 2001	Nine Months Ended September 30, 2000
Operating Activities:		
Net income	$ 851.3	$ 777.1
Adjustments to reconcile net income to net cash provided by operations:		
Restructured operations	(3.8)	(6.1)
Depreciation and amortization	250.2	252.3
Income taxes and other, net	120.9	120.2
Cash effects of changes in:		
Receivables	27.8	(98.8)
Inventories	(64.2)	5.1
Payables and accruals	(84.4)	32.0
Net cash provided by operating activities	1,097.8	1,081.8
Investing Activities:		
Capital expenditures	(199.5)	(236.7)
Payments for acquisitions, net of cash acquired	(10.2)	(49.5)
Proceeds from sale of marketable securities	2.1	22.9
Proceeds from sale of long-term investments	4.6	106.4
Other	(50.5)	(7.2)
Net cash used for investing activities	(253.5)	(164.1)
Financing Activities:		
Principal payments on debt	(195.8)	(660.2)
Proceeds from issuance of debt	762.1	832.2
Payments to outside investors	-	(113.9)
Purchase of common stock	(1,059.2)	(704.0)
Dividends paid	(287.7)	(283.3)
Other	21.0	29.0
Net cash used for financing activities	(759.6)	(900.2)
Effect of exchange rate changes on cash and cash equivalents	(1.7)	(6.2)
Net increase in cash and cash equivalents	83.0	11.3
Cash and cash equivalents at beginning of period	206.6	199.6
Cash and cash equivalents at end of period	$ 289.6	$ 210.9

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares 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 interim periods 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:

	September 30, 2001	December 31, 2000
Raw materials and supplies	$ 190.7	$ 206.2
Work-in-process	32.1	30.7
Finished goods	502.6	449.7
	$ 725.4	$ 686.6

4. Earnings Per Share:

	Three Months Ended					
	September 30, 2001			September 30, 2000		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	$ 296.2			$ 275.3		
Preferred dividends	(5.8)			(5.2)		
Basic EPS	290.4	554.5	$.52	270.1	573.6	$.47
Stock options		8.4			8.9	
ESOP conversion	5.7	40.9		4.9	42.4	
Diluted EPS	$ 296.1	603.8	$.49	$ 275.0	624.9	$.44

(Dollars and Shares in Millions Except Per Share Amounts)

	Nine Months Ended					
	September 30, 2001			September 30, 2000		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	$ 851.3			$ 777.1		
Preferred dividends	(15.9)			(15.6)		
Basic EPS	835.4	559.9	$1.49	761.5	576.1	$1.32
Stock options		8.9			10.0	
ESOP conversion	15.6	41.2		18.3	42.8	
Diluted EPS	$ 851.0	610.0	$1.40	$ 779.8	628.9	$1.24

5. Comprehensive income

Comprehensive income is comprised of net earnings, currency translation gains and losses, and gains and losses from derivative instruments designated as cash flow hedges. Total comprehensive income for the three months ended September 30, 2001 and 2000 was $178.7 and $248.4, respectively. Total comprehensive income for the nine months ended September 30, 2001 and 2000 was $659.5 and $696.6, respectively. The difference from net income primarily consists of foreign currency translation. Comprehensive income in 2001 includes a charge to cumulative translation adjustment resulting from the devaluation of the Brazilian real which was, in effect, a write-down of foreign-currency denominated assets (primarily goodwill and property, plant and equipment). This will be accompanied by lower amortization and depreciation expense in future periods. Accumulated other comprehensive income, as reflected in the condensed consolidated balance sheets, primarily consists of cumulative foreign currency translation adjustments.

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

6. Segment Information -

	Three months ended September 30, 2001	Three months ended September 30, 2000	Nine months ended September 30, 2001	Nine months ended September 30, 2000
Net Sales				
North America	$ 617.4	$ 597.5	$ 1,782.1	$ 1,712.8
Latin America	617.8	620.9	1,816.0	1,845.1
Europe	483.6	483.8	1,419.4	1,426.2
Asia/Africa	380.8	396.6	1,139.0	1,150.9
Total Oral, Personal and Household Care	2,099.6	2,098.8	6,156.5	6,135.0
Total Pet Nutrition	291.6	267.7	856.9	810.0
Net Sales	$ 2,391.2	$ 2,366.5	$ 7,013.4	$ 6,945.0
Earnings				
North America	$ 133.8	$ 125.1	$ 396.4	$ 366.7
Latin America	175.0	151.7	498.3	437.4
Europe	88.0	82.8	259.9	250.0
Asia/Africa	44.0	51.0	148.7	144.6
Total Oral, Personal and Household Care	440.8	410.6	1,303.3	1,198.7
Total Pet Nutrition	68.7	61.4	206.3	175.0
Corporate overhead and other	(34.1)	(30.4)	(123.1)	(89.5)
Earnings before interest and taxes	475.4	441.6	1,386.5	1,284.2
Interest expense, net	(43.5)	(48.3)	(130.0)	(133.6)
Income before income taxes	$ 431.9	$ 393.3	$ 1,256.5	$ 1,150.6

7. New Accounting Pronouncements

In April 2001, the Financial Accounting Standards Board's (FASB) Emerging Issues Task Force (EITF) reached a consensus on Issue No. 00-25, "Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products." This issue addresses the income statement classification of consideration from a vendor to a customer in connection with the customer's purchase or promotion of the vendor's products. This consensus is expected to impact only revenue and expense classifications and not to change reported net income. At the same meeting, the EITF also deferred the effective date of Issue No. 00-14, "Accounting for Certain Sales Incentives," the impact of which was disclosed in Note 2 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2000, to coincide with the adoption of Issue No. 00-25. In accordance with the consensuses reached, the Company will adopt the accounting required by Issue No. 00-14 and Issue No. 00-25 effective January 1, 2002.

In July 2001, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." In addition to requiring the use of the purchase method for all future business combinations, SFAS 141 broadens the criteria for recording intangible assets separate from goodwill. SFAS 142 addresses accounting and reporting standards for acquired goodwill and other intangible assets. Under the new standards, goodwill and indefinite life intangible assets are no longer amortized but will be subject to annual impairment tests. Finite life intangible assets will continue to be amortized over their useful lives.

The Company will adopt these statements effective January 1, 2002. The provisions to cease amortization of goodwill and indefinite life intangible assets are expected to increase net income, however, the Company is still quantifying the impact. Annual amortization expense related to goodwill and other intangible assets was $72 million in 2000 and is estimated to be approximately $69 million for 2001. During 2002, the Company will perform the required impairment tests of goodwill and indefinite life intangible assets as of January 1, 2002. It is management's preliminary assessment that an impairment charge, if any, upon adoption of SFAS 141 and 142 will not be material.

8. Reference is made to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2000 for a complete set of financial notes including the Company's significant accounting policies.

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 $2,391.2 in the third quarter of 2001. Sales increased 2.0%, excluding divestments, as compared to the 2000 third quarter, reflecting unit volume gains of 5.5% offset by a decline in foreign currencies. Sales would have risen 5.0%, excluding the effect of foreign currency declines.

Third quarter sales in the Oral, Personal and Household Care segment, excluding divestments, were $2,099.6, up 1.0% from 2000 on volume growth of 5.0% offset by foreign currencies.

Colgate-North America sales grew 3.5% in the third quarter of 2001 to $617.4 on volume gains of 4.5%. Volume increases were attributable to the continued success of products in the Oral Care category such as Colgate Total plus Whitening toothpaste, Colgate 2in1 liquid toothpaste and mouthwash and the battery-powered Colgate Actibrush toothbrush. In the Personal Care category, the Softsoap Fruit Essentials and Softsoap Vitamins with Vitamin E shower gels and liquid hand soaps contributed to increased volume and market shares as well.

Colgate-Latin America sales increased 2.5% to $617.8 on volume gains of 7.5%, excluding divested businesses. Strong volume growth was seen in Mexico, Brazil, Colombia, Ecuador and Central America. The continued success of products such as Colgate Herbal and Colgate Triple Action toothpastes contributed to increased sales in the Oral Care category. In the Personal Care category, products such as Protex cream, Lady Speed Stick Dry Cream and Palmolive Kids bar soap contributed to volume gains. New products such as Fabuloso Paraiso Tropical liquid cleaner and Suavitel Apple Blossom scent fabric softener helped to increase sales and volume in the Household Surface Care category.

Colgate-Europe sales, excluding divestments, increased slightly to $483.6 as volume gains of 4.0% were negatively impacted by foreign currency. Excluding the impact of foreign currency, sales would have risen 4.0% largely due to volume increases in Italy, the United Kingdom, Spain, Switzerland, Greece and Russia. Oral Care market share growth within the region was generated by new introductions including the Colgate Total Plus Whitening and Colgate Herbal toothpastes. Contributing to growth in the Personal Care category were products such as Palmolive Vitamins with Vitamin E liquid hand soap and shower gel and Palmolive Aroma Therapy shower gel and bath foam. Recently introduced products such as Ajax Antibacterial All Purpose Cleaner wipes and Ajax Glass wipes helped to increase shares in the Household Surface Care category.

Colgate-Asia/Africa third quarter sales decreased 4.0% to $380.8 as volume gains of 4.0% were negatively impacted by foreign currencies. Volume growth was driven primarily by China, Malaysia, Australia and South Africa and was partially offset by volume declines in certain countries in Africa and the Middle East. Leadership in the Oral Care category strengthened throughout Asia, especially in China, driven by the success of products such as Colgate Herbal and Colgate Fresh Confidence toothpastes and Colgate Premier Ultra and Colgate Navigator toothbrushes. The region also experienced volume growth from new products such as Axion Spring Fresh dishwashing liquid and the Palmolive Fruit Essentials line of bar soap, liquid hand soap and shower gels.

Hill's Pet Nutrition sales increased 9.0% to $291.6 on unit volume gains of 8.0%. Hill's strengthened its domestic leadership in the specialty retail channel through effective in-store displays, strong advertising support and innovative new products such as Science Diet Oral Care, Science Diet Canine Small Bites Lite and Prescription Diet z/d anti-allergy formula.
Hill's-International achieved strong volume growth across Europe, Latin America and Asia/South Pacific driven by successful new products including Science Diet Canine and Feline Sensitive Skin/Sensitive Stomach and Science Diet Feline Oral Care.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

Sales in the Oral, Personal and Household Care segment, excluding divestments, for the nine months ended September 30, 2001 were $6,156.5, up 1.5% from the comparable period in 2000 as volume rose 5.5% partially offset by a decline in foreign currencies. Within this segment, Colgate-North America sales increased 4.0% on volume growth of 5.0%, Colgate-Latin America sales, excluding divested businesses, increased 1.5% on volume growth of 5.5%, Colgate-Europe sales, excluding divested businesses, slightly decreased on volume growth of 5.5% and Colgate-Asia/Africa sales decreased 1.0% on volume growth of 7.0%.

Worldwide gross profit margin for the third quarter of 2001 increased to 55.2% from 54.7% in 2000 as the Company continued to benefit from streamlining manufacturing costs, global sourcing and other cost reduction programs. Gross profit margin for the first nine months of 2001 increased to 55.0% from 54.5% in 2000.

Selling, general and administrative expenses as a percentage of sales decreased to 35.3% in the third quarter of 2001 from 36.0% in 2000, and decreased to 35.2% in the first nine months of 2001 from 36.0% for the comparable period in 2000, as a result of continued efficiencies and the impact of translation on local currency advertising costs. Additionally, some promotion spending (i.e. "360-degree advertising") has been shifted to programs that are reported as a reduction of sales.

Earnings before interest and taxes (EBIT) increased 8% to $475.4 in the 2001 third quarter, and reached a level of 19.9% of sales versus 18.7% in the third quarter of 2000. For the first nine months of 2001 EBIT increased 8% to $1,386.5, a level of 19.8% of sales as compared to 18.5% in 2000.

Interest expense, net of interest income, decreased to $43.5 in the 2001 third quarter as compared with $48.3 in 2000. For the first nine months of 2001, interest expense decreased to $130.0 as compared with $133.6 in 2000, primarily due to the effect of lower interest rates partially offset by higher debt levels in 2001.

The effective tax rate for the third quarter of 2001 was 31.4% compared to 30.0% in the third quarter of 2000. The effective rate for the first nine months of 2001 was 32.2% versus 32.5% for the same period in 2000. The 32.2% rate reflects the Company's current estimate of its full year effective income tax rate which is slightly higher than the 2000 full year rate of 32.1%.

Net income for the third quarter of 2001 increased 8% to $296.2 or $0.49 per share on a diluted basis compared with $275.3 or $0.44 per share in the prior year. For the first nine months of 2001, net income increased 10% to $851.3 or $1.40 per share on a diluted basis compared with $777.1 or $1.24 per share in the prior year.

Liquidity and Capital Resources

Net cash provided by operations increased 1% to $1,097.8 in the first nine months of 2001 compared with $1,081.8 in the comparable period of 2000. Net cash from operations includes a non-recurring first quarter tax payment related to the sale of the Viva detergent brand in Mexico that occurred in the fourth quarter of 2000. Excluding the effect of this tax payment, net cash provided by operations increased by 4% over the prior period. At September 30, 2001, $716.5 of commercial paper was 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 Company's Annual Report on Form 10-K for the year ended December 31, 2000 for additional information regarding liquidity and capital resources.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters refer to Item 3 on page 4 of the registrant's Annual Report on Form 10-K for the year ended December 31, 2000 and Note 14 to the consolidated financial statements included therein on pages 36-37.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 12 Ratio of Earnings to Fixed Charges.

(b) Reports on Form 8-K.

None.

The exhibits indicated above which are not included with the Form 10-Q are available upon request and payment of a reasonable fee approximating the registrant's cost of providing and mailing the exhibits. Inquiries should be directed to:

Colgate-Palmolive Company
Office of the Secretary (10-Q Exhibits)
300 Park Avenue
New York, NY 10022-7499

SIGNATURE

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
(Registrant)

Principal Financial Officer:

November 9, 2001 /s/ Stephen C. Patrick

Stephen C. Patrick
Chief Financial Officer

Principal Accounting Officer:

November 9, 2001 /s/ Dennis J. Hickey

Dennis J. Hickey
Vice President and
Corporate Controller

Exhibit 12

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

Dollars in Millions (Unaudited)

	Nine Months Ended September 30, 2001
Income before income taxes	$ 1,256.5
Add:	
Interest on indebtedness and amortization of debt expense and discount or premium	139.5
Portion of rents representative of interest factor	22.7
Interest on ESOP debt, net of dividends	1.3
Loss of less than fifty-percent-owned subsidiaries	0.3
Income as adjusted	$ 1,420.3
Fixed charges:	
Interest on indebtedness and amortization of debt expense and discount or premium	$ 139.5
Portion of rents representative of interest factor	22.7
Interest on ESOP debt, net of dividends	1.3
Capitalized interest	3.1
Total fixed charges	$ 166.6
Ratio of earnings to fixed charges	8.5

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 8.7%. These notes are guaranteed by the Company. Interest incurred on the ESOP's notes for the nine months ended September 30, 2001 was $22.9. 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.