

Colgate Announces Strong Fourth Quarter and Year Fourth Quarter EPS Up 17%, Ongoing Sales Up 11%

New York, New York, February 2nd, 1995 ... - Worldwide sales from ongoing operations increased 11% in the fourth quarter, driven by 14 percent growth in Colgate-International. Reported sales, including the impact of divestitures, increased 9% to \$2.0 billion. Earnings per share advanced 17% to \$.91 vs. \$.78 as earnings before interest and taxes (EBIT) increased 15% and net income rose 12%. Led by strong gains in Latin America, Asia/Africa and Hill's Pet Nutrition, unit volume rose 5% for the entire Company. Full year sales from ongoing operations increased 8% on 7% unit volume growth. Reported sales increased 6% to \$7.6 billion from \$7.1 billion in 1993. Earnings per share for the year were up 14%, to \$3.86 versus \$3.38, as EBIT increased 10% and income increased 7% to \$585 million. Earnings for 1994 are stated before a previously announced one-time charge of \$5 million aftertax for the sale of a non-core business in June 1994. The impact of 1993 mandated accounting changes are excluded from that year's results. Reuben Mark, Chairman and CEO, said: "Colgate achieved strong, profitable growth in 1994, capped by an excellent fourth quarter. Our worldwide organization achieved healthy volume gains, improved profitability, and increased investment in advertising and R&D to ensure continued profitable growth." "Gross profit margin again increased in the fourth quarter. All operating divisions, in the developed as well as the developing world, had higher margins. Increased margin, combined with reduced overhead levels, allowed us to push up advertising while generating double-digit earnings growth. I am particularly encouraged that the performance of Colgate-North America continues to improve, with gross profit margin, advertising as percent of sales, and operating profit all up for the quarter. "Colgate's full-year profitability improved also. Gross margin increased to 48.4% from 47.8%, overhead declined, and advertising increased in relation to sales. Our most profitable businesses, Oral Care, Personal Care and Pet Dietary Care, grew the fastest. This ongoing shift in product mix is part of our strategy to achieve rapid growth in high-margin categories, manufacture more efficiently and reduce costs." Full Year 1994 Results: Strong Volume Growth, Increased Profitability and Investment for the Future Colgate's worldwide volume increased 7% with strong gains from Asia/Africa, Latin America and Hill's Pet Nutrition. Sales of new products launched during the past five years accounted for \$2.0 billion or 26% of total sales. Global expansion of Colgate Total plaque-fighting toothpaste, now in 87 countries, Colgate baking soda toothpaste (35 countries), Ajax cleaners with bleach, and Protex antibacterial soap were all solid contributors. Important regional launches included Palmolive Nouriche, a shampoo and conditioner introduced into Asia, Fabuloso fragranced cleaner extended into Europe, Palmolive dishwashing liquid and antibacterial hand soap launched in North America, Axion dishwashing gel expanded into Asia and Palmolive Optims hair care broadened into Latin America. EBIT increased for the 10th consecutive year, rising to 12.7% of sales from 12.4% in the previous year. Colgate continues to invest in future cost savings, allocating 60% of its capital expenditures to efficiency projects with short-term payback. In 1994, capital expenditures were \$401 million versus \$364 million in 1993, and 1994 cash flow increased by 9% to \$799 million. (Cash flow is defined as income plus depreciation and amortization less preferred dividends.) Effective in the third quarter of 1994, the Board of Directors increased the common stock dividend by 14%, to a new annual rate of \$1.64 per share. The following are fourth quarter comments about Colgate's business by geographic region and Hill's: Colgate-Asia/Africa (approximately 20% of total Company sales) Sales increased 16% in the latest quarter, reflecting healthy volume growth in the base business, new products, geographic expansion and strategic acquisitions. Colgate subsidiaries in Malaysia, Australia, Hong Kong, China, India and South Africa were the strongest performers. Colgate-Europe (approximately 25% of total Company sales) The 13% sales increase in the fourth quarter reflects modest volume growth, supported by stronger currencies than a year ago and the addition of the Personal Care business acquired from S.C. Johnson. Among Colgate's largest European subsidiaries, France, Italy, the United Kingdom and Spain had significant sales increases while Germany, influenced by lower consumer discretionary income, was up slightly. Colgate-Latin America (approximately 25% of total Company sales) Colgate-Latin America continued to grow at a fast pace, increasing sales by 15% in the fourth quarter. Broad-based growth occurred in several key countries, notably Brazil, where the economy is rapidly improving. Colgate subsidiaries in Brazil, Colombia, Chile, and the Dominican Republic, among others, achieved double-digit unit volume growth. Mexico achieved growth in sales, unit volume and profits, despite the sharp devaluation of the peso. Effective January 1995, Colgate acquired the \$300 million Kolynos Oral Care business, which raised the Company's share of the Latin American toothpaste market significantly above its previous 54% level. Kolynos is the leading Oral Care brand in Brazil, by far the biggest Latin American market in terms of GNP and population. Kolynos products are sold successfully in 11 other countries, including Argentina, Peru and Colombia. Colgate-North America (approximately 20% of total Company sales) Colgate's sales in North America declined less than 3%, an improvement from the prior two quarters, as trade downstocking is winding down. Much of Colgate's domestic new product activity in 1994 was concentrated in the latter part of the year and is just now beginning to positively impact sales. The successful introduction of Palmolive dishwashing liquid & antibacterial hand soap in the fourth quarter has added incremental share to the Palmolive franchise. Irish Spring waterfall clean soap and Murphy's kitchen care cleaning products have also increased brand franchise shares versus 1993. More recent launches should begin impacting sales in the first half of 1995, including Colgate baking soda & Peroxide toothpaste, which is receiving strong initial orders. Hill's Pet Nutrition (approximately 10% of total Company sales) Hill's increased sales by 18% in the fourth quarter with strong double-digit unit volume growth in both the domestic and international business. The world leader in specialty pet foods, Hill's has increased its advertising and marketing activities, to support new products and new geography. In-store educational programs designed for pet retailers are contributing to growth in the US. New products such as Science Diet Treats are adding to volume growth, as is Prescription Diet HealthBlend and Prescription Diet tartar control formula for dogs, two products dispensed exclusively by veterinarians. To meet the growing demand for its products, Hill's is doubling the dry food capacity of its

Richmond, Indiana, plant. Hill's-International achieved large increases in its established European markets as well as in the newer Pacific Rim and Latin American markets. International represents about 25% of total Hill's business. Colgate-Palmolive is a leading global consumer products company, tightly focused on Oral Care, Personal Care, Household Care, Fabric Care and Pet Dietary Care. With on-the-ground operations in nearly 80 countries around the world, Colgate sells its products in 194 countries and territories under such internationally recognized brand names as Colgate, Palmolive, Mennen, Ajax, Soupline/Suavitel and Fab, as well as Hill's Science Diet and Hill's Prescription Diet pet foods. Colgate-Palmolive Company Summary of Consolidated Results Three Months and Years Ended December 31, 1994 and 1993 (Dollars in Millions Except Per Share Amounts) (Unaudited)

	Fourth Quarter	Fourth Quarter	Years	Years
	1994	1993	1994	1993
Net Sales	\$1,996.1	\$1,840.4	\$7,587.9	\$7,141.3
Cost of Sales	1,038.1	965.1	3,913.3	3,729.9
Gross Profit	958.0	875.3	3,674.6	3,411.4
Selling, General and Administrative Expenses	729.5	676.8	2,708.0	2,528.4
Earnings before Interest and Taxes	228.5	198.5	966.6(a)	883.0
Net Interest Expense	23.9	12.7	86.7	46.8
Income Before Income Taxes	204.6	185.8	879.9(a)	836.2
Provision for Income Taxes	67.5	63.7	299.7	288.1
Income Before Changes in Accounting	137.1	122.1	580.2(a)	548.1
Cumulative Effect on Prior Years of Accounting Changes	-	-	-	(358.2)(b)
Net Income	137.1	122.1	580.2(a)	189.9(b)
Preferred Dividends, Net of Tax	5.3	5.4	21.6	21.6
Earnings Per Common Share:				
- Before Changes in Accounting	\$.91	\$.78	\$3.82(a)	\$3.38
- Cumulative Effect on Prior Years of Accounting Changes	-	-	-	(2.30)(b)
- Net Income	\$.91	\$.78	\$3.82(a)	\$1.08(b)
Average Common Shares Outstanding (000)	144,828	150,513	146,227	155,949
Earnings Per Common Share Assuming Full Dilution:				
- Before Changes in Accounting	\$.85	\$.73	\$3.56(a)	\$3.15
- Cumulative Effect on Prior Years of Accounting Changes	-	-	-	(\$2.10)(b)

- Net Income	\$.65	\$.75	\$ 0.50 (B)	\$ 1.00 (D)
Average Common Share Outstanding, Assuming Full Dilution (000)	158,961	165,309	160,395	170,776