

Colgate Achieves Record First Quarter Sales Up 12%, Unit Volume Up 8%

New York, New York, April 21st, 1995 ... - Colgate-Palmolive Company (NYSE symbol - CL) opened 1995 with record first-quarter sales and net income. Sales rose 12% to \$1.98 billion and unit volume grew 8%. Increases by Colgate-International and Colgate-North America produced most of the sales growth, which also reflects the January 1995 acquisition of the Kolynos South American Oral Care business. Worldwide sales increased 10% and unit volume rose 6% if Kolynos and non-core 1994 divestitures are excluded.

Earnings before interest and taxes (EBIT) increased 14% to \$285 million during the first quarter. Net income was \$157 million, up 5% from the year-earlier quarter, and earnings per share were \$1.05 vs. \$.98, up 7%. First quarter 1995 EPS includes approximately \$.06 dilution from the Kolynos acquisition, as expected.

Reuben Mark, Colgate Chairman and CEO, said: "We are pleased that Colgate's business momentum is so broadly based, and that our worldwide new product momentum continues to build. Of particular importance are the results in the US and Latin America. Our North American operations had very encouraging increases in unit volume, gross margin and operating profit, while advertising behind regular and new products increased at the same time. The Latin American performance was outstanding: Dollar sales, gross margin percentage and operating earnings set new first quarter records even before adding the Kolynos acquisition, despite the devaluation of the Mexican peso. It is gratifying that every Colgate geographic division achieved higher sales, unit volume and EBIT.

"While execution of planned changes in Hill's distribution system in the US kept sales to only a modest increase, we are pleased with the growth in both market share and consumer takeaway for this important and very healthy business.

"The Company's profitability continues to improve as we increase capital investments that promote efficiency and cut costs. In the latest quarter, gross profit margin increased to 49.0% of sales compared with 48.7% a year earlier."

Following are comments about Colgate's business by geographic region and Hill's.

Colgate-Asia/Africa (approximately 20% of total Company sales)

Robust growth in the base business, new products, and geographic expansion produced a 19% sales increase for Colgate-Asia/Africa on 13% volume growth--the strongest performance of any division. In particular, Malaysia, China, Australia, India, Senegal and South Africa achieved good results. New products driving growth include Colgate Total and Colgate baking soda toothpaste, Ajax gel bleach-cleaner, Axion dishwashing gel, Fab detergent and new Palmolive brand shampoos.

Colgate-Europe (approximately 25% of total Company sales)

Sales increased 15%, benefiting from stronger European currencies and modest unit volume growth. Reflecting successful new product activity, unit volume growth increased by 4-5% in the United Kingdom, Greece and also in France, Colgate's largest European market. New products also were important to Colgate-Germany's positive volume growth. While volume in Italy and Portugal was affected by economic softness, the pace continued strong in Eastern Europe, notably Poland and Russia.

Colgate-Latin America (approximately 25% of total Company sales)

Unit volume in Latin America rose 12% and dollar sales increased 5% excluding the Kolynos acquisition and despite the economic problems in Mexico. Strongly positioned throughout the region, Colgate achieved particularly healthy increases in dollar sales and operating profits in its key Latin markets of Brazil, Venezuela and Colombia. Apart from gains in the base business, such new products as Colgate Total Fresh Stripe and Colgate baking soda toothpaste, Palmolive Essential soap and Palmolive Naturals shampoo are contributing to Colgate's growth. In Mexico, unit volume growth combined with price increases partially offset the impact of the peso devaluation on Colgate's dollar results.

Including the recently acquired Kolynos Oral Care business, overall sales for Colgate-Latin America increased 22% and volume rose 30%.

Colgate-North America (approximately 20% of total Company sales)

Colgate-North America had its best sales performance of the past eight quarters, with sales increasing 6% and unit volume growing 3%. Gross profit margin improved as well. All three new products Colgate-US introduced in late 1994 (Palmolive dishwashing liquid & antibacterial hand Soap, Irish Spring waterfall clean soap and Murphy's kitchen care cleaners) are performing very well, and have boosted market share for the company in each of these product categories to their highest levels in recent history. The early 1995 launch of Colgate baking soda & peroxide toothpaste also is off to an excellent start, producing incremental market share. For 9 out of the 12 product categories in which Colgate-US competes, first quarter national market shares are higher than at 1994 year end.

Hill's Pet Nutrition (approximately 10% of total Company sales)

As part of a planned strategy to take control of its own distribution in the United States, Hill's discontinued a number of independent distributors during the quarter. The elimination of distributor inventory resulted in a modest reported sales increase of 2%, even though sales through both Hill's own sales force and international increased by more than 10%. Unit volume declined slightly due to the US distributor changes even though volume sold through Hill's own distribution system was up sharply. Aside from the distributor change, Hill's business to the consumer was strong, with US consumer takeaway also up more than 10% in the quarter, accompanied by an increase in US market share. Investing in future growth, Hill's late in the first quarter introduced a new line of Science Diet canned varieties, including turkey, fish and beef.

Colgate-Palmolive is a leading global consumer products company, tightly focused on Oral Care, Personal Care, Household Care, Fabric Care and Pet Nutrition. 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 Ended March 31, 1995 and 1994
 (Dollars in Millions Except Per Share Amounts) (Unaudited)

	First Quarter 1995	First Quarter 1994
Net Sales	\$1,980.3	\$1,770.0
Cost of Sales	1,010.5	907.9
Gross Profit	969.8	862.1
Selling, General and Administrative Expenses	685.2	611.3
Earnings before Interest and Taxes	284.6	250.8
Net Interest Expense	43.8	20.6
Income Before Income Taxes	240.8	230.2
Provision for Income Taxes	84.3	80.6
Net Income	156.5	149.6
Preferred Dividends, Net of Tax	5.4	5.4
Earnings Per Common Share	\$ 1.05	\$.98
Average Common Shares Outstanding (000)	144,552	147,775
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Earnings Per Common Share Assuming Full Dilution	\$.97	\$.91
Average Common Shares Outstanding, Assuming Full Dilution (000)	158,917	162,236