

## Colgate Reports First Quarter EPS Up 18% to \$1.12 vs. \$.95 6% Unit Volume Growth

**New York, New York, April 16, 1997 ...** - Colgate-Palmolive Company opened 1997 with record first quarter sales and earnings, strong shipments and the highest gross profit and operating profit in the Company's history.

Net income rose 18 percent to \$170 million or \$1.12 per share versus \$.95 in the first quarter of 1996. Adjusted for the previously announced 2-for-1 stock split to take effect on May 15, 1997, first quarter EPS was \$.56 versus \$.47, or up 19%. Global unit volume grew 6 percent, led by Hill's Pet Nutrition, up 19 percent, Colgate-North America, up 8 percent, and Colgate-Latin America, up 8 percent. Sales increased 5 percent to \$2.1 billion and would have risen almost 8 percent if not for currency translation.

Reuben Mark, Chairman and CEO, said: "We are delighted that after an excellent 1996, our strong worldwide momentum in volume and profitability continues to build. We are particularly pleased that our record earnings, up 18%, were achieved in conjunction with a strong increase in worldwide advertising. Advertising was up in every region around the world, which should help ensure continued volume and market share growth.

"The simultaneous increase in both advertising and profitability was made possible by a sharp increase in gross profit together with a reduction in the worldwide overhead ratio. The focus on these initiatives is key to increasing profitability and creating value for our shareholders."

### **Colgate-Latin America (25 percent of Company sales)**

Sales increased 10 percent on 8 percent higher unit volume in this region of 34 countries and almost 500 million people. Major contributors to Colgate's widespread growth were Mexico, which continues to recover from economic recession, Brazil, Colombia, Argentina, Ecuador and the Caribbean countries. Colgate is capitalizing on the region's growth opportunities by expanding new products such as Colgate Total Fresh Stripe and Colgate Baking Soda toothpaste, Ajax bleach and Suavitel fabric softener in affordable refill bottles. Robust market shares throughout the region reflect the success of these new product initiatives.

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

Colgate achieved 2 percent unit volume growth for the region, encompassing good gains in Germany, the United Kingdom and Portugal. Reflecting the impact of currency translation, sales declined 6 percent. Aggressive pan-regional new product activity is helping Colgate gain market share in this geography. For example the Colgate Sensation whitening and Acticlean toothpastes and Colgate Sensation toothbrush are being introduced across the region and adding incremental market share in country after country. Palmolive shower gel, Fabuloso fabric softener and Ajax Eucalyptus cleaner also boosted market shares.

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

Building on the strong growth achieved in 1995 and 1996, Colgate-North America increased sales 7 percent on 8 percent unit volume growth in the first quarter of 1997. New product launches in the important categories of toothpaste, deodorant, dishwashing liquid, and hand and bath soap contributed to excellent market share gains relative to both the previous quarter and the first quarter of 1996.

Advertising investment increased to support the recent introductions of Colgate Baking Soda & Peroxide Whitening toothpaste, Colgate Wave toothbrush, Lady Speed Stick Invisible Dry antiperspirant, Irish Spring Sport soap and Ajax antibacterial dishwashing liquid.

### **Colgate-Asia/Africa (20 percent of Company sales)**

Sales increased 3 percent on 4 percent unit volume growth, reflecting strong advances in India, China, Taiwan and Australia, offset by the Philippines and Thailand, impacted by economic slowdown. Colgate is aggressively building its business in the large markets of Asia, having recently introduced Colgate gel stripe toothpaste, Palmolive Optima Intensive Treatment shampoo, Axion dishwashing paste and Palmolive Naturals soap in India. New products contributing to growth elsewhere in the region were Colgate Sensation whitening toothpaste, Dynamo antibacterial detergent and Palmolive shower cream.

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

Increasing sales and unit volume by 23 percent and 19 percent, respectively, Hill's achieved excellent growth in both its domestic and international specialty pet food business. Hills has now completed the implementation of its own domestic sales and distribution network to provide improved customer service and retail shelf presence. Increased national TV advertising is also fueling the growth of the Hill's Science Diet line, which was completely reformulated and relaunched, including three new products, in mid-1996. Hill's also grew strongly in Japan and saw consumption increase in Europe, where it is benefiting from new manufacturing capacity.

Colgate-Palmolive 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 over 200 countries and territories under such internationally recognized brand names as Colgate, Palmolive, Mennen, Kolynos, Protex, 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  
for the three months ended March 31, 1997 and 1996  
(Dollars in Millions Except Per Share Amounts) (Unaudited)

	1997	1996
Net Sales	\$2,147.1	\$2,053.7
Cost of Sales	1,066.5	1,050.4
Gross Profit	1,080.6	1,003.3
Selling, General and Administrative Expenses	774.1	733.8
Earnings before Interest and Taxes	306.5	269.5
Net Interest Expense	45.7	47.1
Income Before Income Taxes	260.8	222.4
Provision for Income Taxes	91.2	78.9
Net Income	169.6	143.5
Preferred Dividends, Net of Tax	5.3	5.4
Earnings Per Common Share		
-- Pre-Split	\$1.12	\$.95
-- Post-Split	.56	.47
Average Common Shares Outstanding (in millions)		
-- Pre-Split	147.3	146.1
-- Post-Split	294.6	292.1

Assuming full dilution, pre-split earnings per common share were \$1.04 in the first quarter of 1997 vs. \$.89 in the first quarter of 1996. Average common shares used in the fully diluted computation were 162.0 million in 1997 vs. 160.6 million in 1996.