

Colgate Announces Record First Quarter Shipment and Sales, Improved Profitability

New York, New York, April 17th, 1996 ... - Colgate-Palmolive Company achieved broad-based growth and reached an all-time high in first quarter sales and unit volume. Profits improved from the fourth quarter of 1995, both in absolute terms and as a percentage of sales. Profit comparisons versus the year-ago quarter, as expected, were impacted by maxi-devaluation and recession in Mexico and Venezuela.

First quarter sales increased to a new record of \$2.1 billion, up 4%. Excluding the effects of Mexico and Venezuela, sales and unit volume were both up 6%. All worldwide operating divisions grew in sales and unit volume. Net income was \$143.5 million or \$.95 per share, which was significantly higher than the \$122.5 million or \$.80 per share earned in the fourth quarter of 1995. With the Mexican economy far stronger a year ago, Colgate had earned a record \$156.5 million or \$1.05 per share in the first quarter of last year.

Reuben Mark, Colgate Chairman and CEO, said: "This was a solid quarter. I am pleased that our businesses around the world continue their profitable growth. Importantly, Colgate-US continues to show good momentum, Hill's Pet Nutrition has rebounded to historical growth levels, and all of the developing world achieved very strong volume gains with the exception of Mexico and Venezuela. We are also pleased that Mexico's economic situation is showing the first signs of improvement. Global advertising is up, both as a percent to sales and in absolute amount, which is helping to drive market share gains for new products and established brands.

"We are also continuing to improve profitability. Gross profit margin of 48.9% virtually equaled the first quarter record of 1995, and was well ahead of the fourth quarter of 1995 (47.9%). We expect this favorable trend to continue as we cut costs and make our worldwide operations more efficient. The savings realized from our worldwide restructuring will begin to be realized in the second half of 1996, and reach an annual level of \$100 million in 1998." Following are comments about Colgate's geographic regions and Hill's:

Colgate-Asia/Africa (20% of Company Sales)

Strongly positioned throughout Asia/Africa, Colgate increased sales 7% on 8% unit volume growth with particularly good performance in India, the Philippines, greater China, and Taiwan. New products like Protex antibacterial body cleansing products, fabric softener and toothbrushes are complementing existing brand strength and adding to Colgate's sales.

Colgate-Europe (26% of Company Sales)

Despite slow business conditions in most European economies, Colgate increased sales 2% on 1% positive volume growth, with gains in Germany, Scandinavia, Greece, Austria and the Netherlands. The recent launch of Colgate Total antibacterial toothpaste in Germany has exceeded expectations, while a new variant named Colgate Total Fresh Stripe is adding sales in countries where Colgate Total is already a strong in-market brand. Other European successes include the new Palmolive shower gel, Protex, Ajax Expel and Respons hair conditioner. Continuing to strengthen its marketing activities in Eastern Europe, Colgate noted good increases in Poland and Russia.

Colgate-Latin America (24% of Company Sales)

In the 32 countries of Latin America, excluding Mexico and Venezuela, sales increased 10% on 12% unit volume gains. These excellent results offset expected declines in Mexico and Venezuela, making sales for the entire region level with the 1995 record first quarter. Gross profit margin was up for the region. In the important Brazilian market, both Colgate and Kolynos Oral Care, acquired at the beginning of 1995, grew strongly in their core brands. Colombia is also doing well for Colgate, as is Argentina, where the economy is improving.

While volume declined as anticipated in Mexico from the year-ago quarter, due to macro economic conditions, consumer purchasing appears to be stabilizing, and there are some indications of possible second-half 1996 economic improvement. The decline in Venezuela is related to the maxi-devaluation in late 1995. Colgate's market shares in both countries are strong.

Colgate-North America (21% of Company Sales)

Building on the strong gains of 1995, Colgate-North America opened 1996 with 4% increases in both sales and unit volume. Gross profit margin improved, advertising increased, overhead expenses declined and operating profits increased. Results are encouraging for new products presented to the trade in the first quarter of 1996---Mennen Speed Stick Gel and Palmolive Ultra dishwashing detergent. Other introductions are planned over the balance of this year.

Hill's Pet Nutrition (9% of Company Sales)

Sales increased 15% on 14% unit volume growth as Hill's continues to lead the fast-growing specialty pet food business. Hill's is gaining sales in the pet retail segment through the successful introductions of Hill's Science Diet Canine Lamb & Rice and Science Diet Canned Varieties, launched in mid-1995. Sales expansion, greater sales effectiveness and increased advertising for the entire Science Diet brand are also driving growth.

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 206 countries and territories under such internationally recognized brand names as Colgate, Palmolive, Mennen, Kolynos, Ajax, Soupline, Sauvitel and Fab, as well as Hill's Science Diet and Hill's Prescription Diet pet foods. (Table Attached)

	First Quarter 1996	First Quarter 1995	Fourth Quarter 1995
Net Sales	\$2,053.7	\$1,980.3	\$2,152.8
Cost of Sales	1,050.4	1,010.5	1,122.3
Gross Profit	1,003.3	969.8	1,030.5
Selling, General and Administrative Expenses	733.8	685.2	790.2
Earnings before Interest and Taxes	269.5	284.6	240.3
Net Interest Expense	47.1	43.8	59.6
Income Before Income Taxes	222.4	240.8	180.7
Provision for Income Taxes	78.9	84.3	58.2
Net Income	143.5	156.5	122.5
Preferred Dividends, Net of Tax	5.4	5.4	5.4
Earnings Per Common Share	\$.95	\$1.05	\$.80
Average Common Shares Outstanding (000)	146,067	144,552	145,734

Assuming full dilution, earnings per common share were \$.89 vs. \$.97 in the first quarter and \$.76 in the fourth quarter of 1995. Average common shares used in the fully diluted computation were 160,490 vs. 158,917 for the first quarter and 159,878 for the fourth quarter of 1995.