

Colgate Reports Strong Second Quarter EPS Up 16% at \$.36 vs. \$.31 4% Unit Volume Growth Worldwide

New York, New York, July 21, 1999 ... -

Colgate-Palmolive Company (NYSE:CL) achieved 16% higher earnings per share, strong global unit volume growth and record net income in the second quarter of 1999. Diluted earnings per share were \$.36 versus \$.31 in the year-ago quarter, adjusted to reflect the June 1999 two-for-one stock split.

Unit volume grew 4%, with broadly based global increases led by North America, a resurgent Asia and Latin America, and Hill's Pet Nutrition. Sales of \$2.3 billion were up 1.5% and would have increased 7% absent foreign currency translation. Net income increased 12% to a record \$228.1 million. Operating profits (EBIT) increased 12% to \$389.8 million, with every operating division worldwide generating higher EBIT in both absolute terms and as a percent to sales.

Colgate's focus on all aspects of profitability was evident in the 140 basis-point improvement in gross profit margin, to 53.4% in the latest quarter, as well as in the 170 basis-point improvement in the operating profit margin, to a record 17.1%.

Reuben Mark, Colgate Chairman and CEO, said: "Strong consumer response to our innovative new products generated accelerating unit volume around the world. This volume growth, combined with strong improvement in gross profit, drove the business to a record level of profitability with operating profit increases in every division. Colgate people are systematically working together, both globally and regionally, to drive down costs, shorten new product lead time and build market share. These strong second quarter results give us great encouragement that our momentum will continue in the second half of this year and the year 2000."

Following are comments about the divisions in the second quarter:

Colgate-Latin America (27% of Company sales)

With its business improving in the region's two largest economies, Brazil and Mexico, Colgate achieved 4% unit volume growth in Latin America. Currency translation reduced reported sales growth to 1%. Colgate continues to introduce higher margin new products throughout Latin America, especially in Oral and Personal Care, and to implement more efficient manufacturing and sourcing.

Contributing to strong Oral Care growth are Colgate Double Cool Stripe and Colgate Sensation whitening toothpastes, as well as new herbal toothpastes under the Sorriso and Kolynos brand names. Among steps to benefit profit margins and product quality, Colgate-Latin America continues to vertically integrate manufacturing. This includes the production of laminate toothpaste tubes, replacing outsourced aluminum tubes. Regional sourcing of key ingredients is also improving profitability.

In Personal Care, Lady Speed Stick gel has been introduced into four new countries, adding incremental market share. Also performing strongly are Palmolive shower gel, Palmolive liquid hand soap, and the Palmolive Botanicals mini-line of upscale products for hair and skin care. Building share in Household Care, Ajax Fiesta de Flores fragranced cleaners have been expanded to eight countries in Latin America, replicating the positive growth trend achieved by the brand in Europe.

Colgate-North America (23% of Company Sales)

Continuing the strong recent trend of profitable volume growth, North American unit volume rose 5% and sales increased 3.5%, excluding divestments.

Fueled by a steady stream of product innovations, Colgate-U.S. achieved higher market shares in most of the product categories in which it competes. In its first full quarter of distribution, Colgate Total Fresh Stripe gel toothpaste has boosted overall market share of the Colgate Total brand, the country's best-selling toothpaste. Also propelling strong Oral Care growth were Colgate tartar control whitening toothpaste, the premium Colgate Total professional toothbrush and Colgate's new line of toothpaste and toothbrushes for youngsters. In other categories, Speed Stick Ultimate deodorant, Lady Speed Stick gel, the restaged Softsoap body wash line, Ajax dishwashing liquid and antibacterial hand soap, and Palmolive baking soda fresh scent dishwasher detergent all performed strongly.

Initial sell-in activity is excellent for five major new products entering the market in the third quarter: the flexible-head Colgate

Navigator toothbrush, Speed Stick Clear antiperspirant, Irish Spring Aloe soap with a proprietary moisture-retention formula, the new Palmolive Spring Sensations line of highly sensorial fragrant dishwashing liquids, and Palmolive triple action tablets for automatic dishwashers.

Colgate-Europe (22% of Company sales)

Colgate continues to improve the profitability of its European division; the United Kingdom, France, the Nordic Group, Spain, Portugal and Benelux were among the strongest performers in the latest quarter. With Colgate's market shares generally growing or stable through the region, unit volume rose 1% excluding Russia and the bordering countries. Including that area, volume was 1% lower. Sales were 4% lower than in 1998.

Market share growth in the latest quarter reflected the successful pan-European relaunch of Colgate Total toothpaste, new varieties of Palmolive shower gel, a new translucent Palmolive bar soap, and Ajax antibacterial liquid cleaner. Colgate is focusing on its core brand equities to expand innovative new products across Europe, a strategy that benefits profit margins. Regional purchasing and manufacturing initiatives also have improved profitability, as have continued gains from the implementation of SAP enterprise software.

A heavy schedule of new product introductions is planned for the third quarter, including Palmolive Active shower gel, Soupline cashmere fabric softener and Ajax Shower Power cleaner.

Colgate-Asia/Africa (17% of Company sales)

Unit volume advanced 7% in Asia/Africa, led by strong gains in the important markets of China and India, recovery in the ASEAN group, and continued growth in Australia and Vietnam. Sales increased 4%.

Robust, double-digit growth continued in China, where Colgate has expanded distribution throughout the country and is now in 350 cities, up from about 200 a year ago. Colgate became the leading toothpaste company in China during the second quarter, gaining market share with Colgate Total, Colgate whitening and other recent new products. Market shares also advanced for Colgate toothbrushes, and Colgate is the category's leading western brand.

Successful relaunches of Colgate toothpaste and Palmolive Naturals soap contributed to strong growth in India, as did new flexible Colgate toothbrushes. Elsewhere in the region, Colgate has grown its business with Palmolive shower gel, Colgate Total Triple Stripe toothpaste, Palmolive Botanicals shampoo and conditioner, Soflan fabric softener refills and Axion Ultra concentrated dishwashing liquid, in regular and antibacterial formulas.

Hill's Pet Nutrition (11% of Company sales)

Innovative new products are driving growth at Hill's, which had excellent results both domestically and internationally. Sales and unit volume each rose 8%; profitability increased due to the larger business base, ongoing strategic purchasing programs and more efficient manufacturing.

Enthusiastic pet owner response to Science Diet Hairball Control for cats has helped increase U.S. consumer takeaway for the entire brand, especially in large-format pet stores. Strengthening Hill's leadership in the therapeutic pet food segment were new Prescription Diet formulas for liver disease and renal disease, and increased veterinarian endorsements.

Demand for Hill's products surged in Europe, Japan and the rest of Asia. New products, improved sales execution, and in-clinic marketing programs are driving growth in Europe. Hill's-Japan benefited strongly from increased national television advertising and in-store merchandising programs for Science Diet, which is the Number One dry pet food in that country.

During the quarter, Colgate-Palmolive incurred charges related to product standardization and organization redesign. These charges were offset by a gain of \$17.6 million recorded on the sale of the U.S. Baby Magic brand.

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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 products in over 200 countries and territories around the world under such internationally recognized brand names as Colgate, Palmolive, Mennen, Softsoap, Protex, Sorriso, Kolynos, Ajax, Axion, Soupline, Suavitel and Fab, as well as Hill's Science Diet and Hill's Prescription Diet pet foods.

This press release (other than historical information) contains forward looking statements. Actual events or results may differ materially from those statements. Investors should consult the Company's filings with the Securities and Exchange Commission (including the Company's Form 8-K dated November 13, 1998) for information about factors which could cause such differences. Copies of these filings may be obtained upon request from the Company's Investor Relations Department.

Colgate-Palmolive Company Summary of Consolidated Results

Three Months and Six Months Ended June 30, 1999 and 1998

(In Millions Except Per Share Amounts)(Unaudited)

	Second Quarter	Second Quarter	First Half	First Half
	1999	1998	1999	1998
Net Sales	2,285.0	2,256.5	4,460.3	4,416.0
Cost of Sales	1,063.7	1,083.9	2,073.1	2,119.9
Gross Profit	1,221.3	1,172.6	2,387.2	2,296.1
Selling, General and Administrative Expenses	831.5	824.7	1,632.5	1,605.8
Earnings Before Interest and Taxes	389.8	347.9	754.7	690.3
Net Interest Expense	44.2	44.1	90.1	87.3
Income Before Income Taxes	345.6	303.8	664.6	603.0
Provision for Income Taxes	117.5	100.3	227.6	203.5
Net Income	228.1	203.5	437.0	399.5
Preferred Dividends, Net of Tax	5.1	5.2	10.3	10.5
Net Earnings per Common Share:				
- Basic	\$.38	\$.34	\$.73	\$.66
- Diluted	\$.36	\$.31	\$.68	\$.61
Average Common Shares Outstanding: (in millions)				
- Basic	584.1	592.1	583.9	591.6
- Diluted	640.4	651.6	640.5	651.4

All per share figures are adjusted for the 2-for-1 stock split that took effect on June 30, 1999.