

Colgate Announces Record Earnings 3rd Quarter EPS up 15% to \$.71 vs. \$.62 Operating Margin Reaches Record 16.2%

New York, New York October 15, 1998 ... - Colgate-Palmolive Company (NYSE: CL) reported that basic earnings per share increased 15% to \$.71 in the third quarter vs. \$.62 a year ago. Net income rose 14% to \$214.9 million and set a new record for any quarter in Colgate's history.

Worldwide unit volume rose 3%, led by strong volume growth of approximately 7% in the United States, Latin America and Hill's Pet Nutrition. Sales worldwide were \$2.3 billion, down 1% from last year's record level. Excluding negative currency translation, sales would have increased 6%. Gross profit margin improved by 1.8 percentage points to 52.6%, and operating profit margin improved by 1.7 points to 16.2%. Both set new records.

Reuben Mark, Colgate Chairman and CEO, said: "We are pleased that market share gains here and abroad, combined with sharp increases in our gross margin, allowed us to continue our history of strong earnings growth. It is clear that the fundamentals of Colgate's business are sound worldwide. Global advertising strongly increased in the quarter and the advertising to sales ratio went up in every division. This spending should help generate further marketplace gains as we move forward."

The latest quarter brings Colgate's net income to \$614.4 million for the first nine months, up 15%. Basic earnings per share were \$2.03 vs. \$1.76, also up 15%. Gross profit margin and operating profit margin improved by 1.6 percentage points and 1.7 points, respectively. Unit volume grew 4% and sales were \$6.7 billion, level with 1997. Excluding currency, sales increased 6%.

Mr. Mark concluded: "We have a strategic geographic balance that draws strongly from both the developed and developing world. This balance, combined with our long experience overseas, allows Colgate people to successfully manage through periods of currency fluctuation and economic uncertainty. These quarterly results are another example of that success."

Colgate-North America (23% of Company sales)

Fueled by broad-based new products momentum, unit volume and sales both grew 6% in the third quarter. Colgate-U.S. market shares continued to climb, generating volume growth in each of its four core businesses.

Colgate's Oral Care growth was driven by several strongly performing products, including Colgate Total and Colgate tartar control & whitening toothpastes, and the Colgate Total professional toothbrush. Colgate's leadership of the U.S. toothpaste market grew in the quarter, with new Colgate Total again the Number One selling toothpaste variant. Stand-outs in other core businesses were Speed Stick Ultimate odor-fighting anti-perspirant, Lady Speed Stick gel, Softsoap hand gel, three new varieties of Softsoap body wash, Palmolive lemon dishwashing liquid, and Suavitel fabric softener which has expanded distribution. Market shares increased for 9 of the 12 categories in which Colgate competes compared with the year-ago quarter. New products drove growth in Canada as well. Third quarter toothpaste market share climbed to 40.3%, an all-time record, on gains from Colgate Total, Colgate Sensation whitening and Colgate Sensation whitening + tartar fighting toothpastes.

Colgate-Europe (23% of Company sales)

Sales were level and unit volume declined 1%, reflecting economic contraction in Russia and compared with a very strong third quarter in 1997. Excluding the Russian volume decline, volume in Europe would have been up approximately 1%, and the Company's worldwide volume would have grown 4% instead of the reported 3%.

The United Kingdom, Italy, Portugal, Holland and the Nordic group were among the countries delivering strong volume for Colgate in the latest quarter. New product activity is focused on the higher-margin Oral, Personal and Household Care segments, including the successful relaunch of Colgate Total toothpaste and introductions of new shower gels, deodorants, Ajax Fete des Fleurs all-purpose cleaner and Ajax anti-static window cleaner.

Colgate continues to streamline its European operations using a Pan-European integrated computer system from SAP; the U.K. Spain and Portugal went live in early October.

Colgate-Latin America (26% of Company sales)

New products and increased advertising drove a 7% unit volume increase in Latin America. Growth was strongest in Brazil, Mexico, Colombia and Central America. Foreign currency negatives kept reported sales at last year's record level.

Colgate Double Cool Stripe and Colgate Sensation whitening toothpastes achieved growth across the region, while Sorriso has been very successful in the important Brazilian market. Adding strength in the fast-growing Personal Care area are Lady Speed Stick gel deodorant and new hair care products like Palmolive Botanicals, Palmolive Naturals and Palmolive Optimis. Ajax Fiesta De Flores, Suavitel vanilla and new affordable sizes have further strengthened Colgate's Number One positions in household surface cleaners and fabric softeners.

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

Colgate's excellent unit volume growth in China, and increases in Australia, the Philippines, Taiwan and Vietnam partially offset the effects of economic weakness in other countries in the region. Overall, unit volume decreased 2% and dollar sales declined 13%, the result of currency translation.

Colgate continues to strengthen and protect its strong positions in Asia by introducing innovative new products and offering new affordable sizes. Colgate Sensation whitening added strength to the toothpaste category across the region; Palmolive Botanicals helped grow hair care, and new varieties and affordable packages of Softlan benefited fabric softener. Colgate-Asia is also implementing the powerful SAP software system; Australia, New Zealand and India successfully went live during the third quarter.

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

Hill's worldwide volume increased 7%, on strong results both in the U.S. and internationally. Sales increased 6%. Record new product activity, increased advertising and geographic expansion all fueled growth. U.S. standouts are Science Diet Savory Recipes with real meat, Feline Savory Cuts and Prescription Diet Canine n/d, the first product clinically proven to improve the quality and life expectancy of dogs undergoing cancer treatment. Hill's-International growth reflects new European and Japanese products, increased distribution, and continued expansion in Australia and South Africa.

Additionally, Hill's is benefiting from the installation of SAP software, especially in inventory management, and from productivity improvements at its European manufacturing center.

During the quarter the Company recorded a one-time charge, primarily covering a writedown of assets in Russia, which was offset by a one-time gain of \$26 million on the sale of the U.S. Handiwipes brand.

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 215 countries and territories under such well-recognized brand names as Colgate, Palmolive, Speed Stick by Mennen, Softsoap, Kolynos, 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 Nine Months Ended September 30, 1998 and 1997 (In Millions Except Per Share Amounts)

(Unaudited)

	Third Quarter	Third Quarter	Nine Months	Nine Months
	1998	1997	1998	1997
Net Sales	\$2,265.4	\$2,297.2	\$6,681.4	\$6,745.2
Cost of Sales	1,072.8	1,130.5	3,192.7	3,329.8
Gross Profit	1,192.6	1,166.7	3,488.7	3,415.4
Gross Profit Margin	52.6%	50.8%	52.2%	50.6%
Selling, General and Administrative Expenses	825.1	832.6	2,430.9	2,461.3
Earnings Before Interest & Taxes	367.5	334.1	1,057.8	954.1
Operating Profit Margin	16.2%	14.5%	15.8%	14.1%
Net Interest Expense	46.7	46.6	134.0	139.3
Income Before Income Taxes	320.8	287.5	923.8	814.8
Provision for Income Taxes	105.9	98.9	309.4	280.8
Net Income	214.9	188.6	614.4	534.0
Preferred Dividends, Net of Tax	5.2	5.2	15.7	15.7
Basic Earnings Per Common Share	\$.71	\$.62	\$2.03	\$1.76
Average Common Shares Outstanding	295.3	295.9	295.7	295.3

Diluted earnings per common share were \$.66 vs. \$.58 for the third quarter and \$1.88 vs. \$1.64 for the first nine months ended September 30, 1998 and 1997. Average common shares outstanding used in the diluted calculation were 324.2 vs. 326.1 in the third quarters and 325.0 vs. 325.1 in the first nine months.