

## Colgate Reports Broad-Based Sales and Profits Growth for Second Quarter

New York, New York, July 24th, 1996 -

Colgate-Palmolive Company reported broad-based sales and profits growth and improved profitability for the second quarter of 1996.

Global unit volume increased 6%, with every division participating in the growth. Sales were \$2.2 billion, up 4%, and would have risen 7% without the effect of foreign exchange. Earnings before interest and taxes (EBIT) increased 6% to \$280.5 million, net income increased 4% to \$148.9 million, and earnings per share were \$.98 versus \$.95. Gross profit margin increased sharply, from 46.9% to 49.0%, as the Company aggressively pursues cost savings and launches higher margin new products.

Reuben Mark, Colgate Chairman and CEO, said: "We are pleased with this strong volume momentum as we head into the second half of the year, generated by the introduction of new products and strong advertising support behind existing brands. The healthy unit growth we are enjoying in both Colgate-North America and in the developing areas of Latin America and Asia is particularly encouraging."

"Worldwide gross profit margin increased markedly in the quarter, a vital improvement, since the greater profitability allows us to increase advertising investment in global growth opportunities and still generate improved earnings. The restructuring of global manufacturing announced last year is on track and will begin delivering savings in the second half of this year."

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

Benefiting from its strong presence in developing economies and new product initiatives, Colgate achieved 8% higher unit volume in Asia/Africa, with brisk growth in Greater China, India, the Philippines and Malaysia. Reported sales increased 6%, reflecting a 3% reduction from currency translation.

Optima shampoo, Colgate Calciguard toothpaste, Colgate Baking Soda & Peroxide toothpaste, Ultra Softlan concentrated fabric softener, a new antibacterial variant of Axion dishwashing paste and Protex facial wash are among the products contributing to Colgate's growth. Programs to expand distribution of Colgate products in rural areas are also building sales.

### Colgate-Europe (25% of Company Sales)

With varied European economic conditions, Colgate achieved 2% volume growth for the region, reflecting its high level of new product activity, even as the stronger dollar caused a 3% reduction in sales. Profit margins benefited from new "value added" products, formula and packaging standardization and a more profitable product mix. Colgate operations in Germany, the United Kingdom, Spain, and Austria all achieved healthy volume increases, as did Central Europe, although Colgate's business in Italy reflected weaker economic conditions there.

The very successful launch of Colgate Total plaque-fighting toothpaste and the Colgate Total toothbrush in Germany are contributing to market share gains. New products are doing well throughout the region, including Colgate Total Fresh Stripe toothpaste, Protex antibacterial soap and Ajax Expel cleaner with insect repellent, both in southern Europe, Paic Excel concentrated dishwashing liquid in France and new Soupline fabric softener variants in various countries.

### Colgate-Latin America (24% of Company Sales)

Colgate achieved 7% unit volume growth and a 6% sales increase. Excluding Mexico and Venezuela, impacted by devaluations, sales were up 17% on 15% volume growth.

Excellent growth in Brazil reflected strong performances at both Colgate-Brazil and Kolynos Oral Care, which Colgate acquired in early 1995. Kolynos is increasing sales with new products, including a baking soda toothpaste and the Kolynos Flexivel toothbrush. In June, Kolynos inaugurated a state-of-the-art toothbrush factory to supply products for Latin America. Argentina, Chile, the Dominican Republic and Ecuador also produced excellent results in the second quarter. Colgate's well-established Mexican business increased sales over the 1996 first quarter as that country's economic situation continues to improve.

### Colgate-North America (22% of Company Sales)

Unit volume increased 7%, an impressive comparison coming on top of 10% growth in the second quarter of 1995, as Colgate continues to grow in the domestic market with new products and innovative advertising. Combined sales for the U.S., Canada and Puerto Rico increased 6% with all three markets participating in the growth.

For 9 out of 12 major product categories, Colgate-U.S. market shares have risen since the first quarter of 1996. Palmolive Dishwashing Liquid & Antibacterial Hand Soap continues to gain share, driving the entire Palmolive franchise to record levels. In Personal Care, both Mennen Speed Stick gel antiperspirant and Softsoap Body Wash are doing well; Irish Spring Sport antibacterial soap began shipping to the trade at the end of the quarter.

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

Sales increased 10% with good increases in both Hill's-U.S. and Hill's- International. Following a 14% first quarter 1996 volume surge, when there was increased buying in anticipation of industry-wide domestic price increases, unit volume increased 4% in the second quarter.

In the U.S., Hill's is in the final stages of completing the transition to its in-house sales force from outside distributors, which is enhancing coverage and marketing to the specialty pet food channel. Hill's will complete in the third quarter a major relaunch of its entire Science Diet line, with improved vitamin and mineral balance. A new Science Diet Canine formula for large breed puppies, introduced as part of the total relaunch, is drawing strong demand. Internationally, Hill's achieved excellent growth in Asia/Pacific and Europe, where it opened a new regional manufacturing plant in Holland during the second quarter to support the next stage of expansion.

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)

### Colgate-Palmolive Company Summary of Consolidated Results Three Months and Six Months Ended June 30, 1996 and 1995 (Dollars in Millions Except Per Share Amounts) (Unaudited)

	Second Quarter 1996	Second Quarter 1995	First Half 1996	First Half 1995
Net Sales	\$2,167.3	\$2,090.7	\$4,221.0	\$4,071.0
Cost of Sales	1,106.3	1,110.6	2,156.7	2,121.0
Gross Profit	1,061.0	980.1	2,064.3	1,950.0
Selling, General and Administrative Expenses	780.5	714.5	1,514.3	1,399.7
Earnings Before Interest and Taxes	280.5	265.6	550.0	550.3
Net Interest Expense	53.1	48.7	100.2	92.7
Income Before Income Taxes	227.4	216.9	449.8	457.6
Provision for Income Taxes	78.5	73.7	157.4	157.9
Net Income	148.9	143.2	292.4	299.7
Preferred Dividends, Net of Tax	5.3	5.4	10.7	10.8
Earnings Per Common Share	\$ .98	\$ .95	\$ 1.93	\$ 2.00
Average Common Outstanding (000)	146,529	145,116	146,298	144,836

Assuming full dilution, earnings per common share were \$.92 vs. \$.88 for the second quarter and \$1.80 vs. \$1.85 for the first six months ended June 30, 1996 and 1995. Average common shares outstanding assuming full dilution were 161,174,000 vs. 159,785,000 in the second quarters and 160,955,000 vs. 159,396,000 in the first six months.