

Colgate Announces Strong Second Quarter, Record Earnings and Profitability, EPS up 12% on 5% Global Volume Growth

NEW YORK, NEW YORK, July 23, 2001... Colgate-Palmolive Company (NYSE:CL) achieved record net income and earnings per share in the second quarter driven by 5% worldwide unit volume growth. Operating margin reached an all time high of 20.2% as a percent to sales, up 150 basis points from last year. Earnings per share increased 12% to \$0.47 per diluted share versus \$0.42 per diluted share in the second quarter of 2000. Continued efficiency gains drove net income up 10% to \$287.2 million, another all time record. Excluding exchange, continuing sales were up 5%, operating profits were up over 15%, and E.P.S. was up over 20%. Including the effect of the stronger dollar, global sales from continuing businesses increased 1% to \$2.3 billion.

Reuben Mark, Colgate Chairman and CEO, said: "We are very pleased by the breadth and strength of our results. Every operating division achieved strong volume growth and increased operating profits both absolutely and as a percent to sales. It is especially encouraging to see dollar operating profits rise strongly even in Latin America and Europe despite currency pressures.

"Market shares are strong in the United States and abroad, supported by a global increase in media spending both absolutely and as a percent to sales.

"Our ongoing savings programs combined with more recent cost reduction innovations lifted gross profit 80 basis points versus the year ago quarter, excluding the slightly dampening effect of our previously announced Chinese toothbrush acquisition and formula investment at Hill's. Including these investments, gross profit rose 50 basis points. Year-to-date after-tax return on capital also reached a new high at 27.7% vs. 24.7% in the year ago period.

"These solid financial results, coupled with innovative new product activity and widespread market share gains, bode well for another successful year in 2001 and gives us encouragement as we look forward to 2002."

At 11:00 a.m. EDT today, Colgate will host a conference call to further elaborate on second quarter results and to discuss the Company's expectations for the balance of 2001. To access this call as a webcast, please go to Colgate's web site on the Internet at www.colgate-palmolive.com.

Colgate-North America (25% of Company Sales)

Unit volume rose 4% and sales increased 3% in the period. This is on top of extremely strong sales and volume growth in the second quarter of 2000. This division remains on track to achieve its seventh consecutive year of strong, profitable growth. Operating profits rose 7% in the quarter.

Colgate U.S. continued to outpace market growth in its major product categories in the quarter. Retail consumption of Colgate brands in the U.S. reached an all time high for the period. Impressive share gains were achieved broadly across major categories including toothpaste, deodorants, dishwashing liquid, soap, all purpose cleaners and fabric softeners. New Colgate Total Plus Whitening toothpaste and Colgate 2in1 liquid toothpaste and mouthwash helped to strengthen Colgate's US leadership position in the toothpaste market with market share for the category at 34.1% year to date, up three full share points from the year ago period. In Personal Care, Softsoap Fruit Essentials bodywash and liquid hand soap added incremental share, as did the recently launched Lady Speed Stick Invisible Dry with Aloe deodorant.

Aggressive new product activity is continuing in 2001. Reaching store shelves now are new Softsoap Vitamins with Vitamin E bodywash and liquid hand soap and the new Speed Stick Power of Nature line of deodorants with fragrances inspired by the forces of nature. Colgate has already announced 15 new U.S. introductions this year including new Colgate 2in1 Icy Blast Whitening toothpaste and mouthwash as well as the new Colgate Navigator cleaning tip flexible head toothbrush.

Colgate-Latin America (26% of Company Sales)

Both unit volume and sales in local currency grew 4% in Latin America, excluding divested businesses. In dollar terms continuing sales were down 1% reflecting currency negatives. Regionalization, SAP, cost savings programs and the continued focus on higher margin products helped to drive dollar operating profits up 14% versus the year ago quarter. Operating profit margin reached a record high of 26.7%, up 400 basis points versus the year ago quarter. Latin American operating profits for the full year are expected to show a solid increase.

Colgate achieved healthy volume increases in Mexico, Argentina, Venezuela, Central America, Ecuador and Chile. Volume in Brazil met expectations and is up close to 10% on a year-to-date basis. Colgate Fresh Confidence, Colgate Triple Action and Colgate Herbal toothpastes all contributed to market share gains in toothpaste throughout the region. Importantly, centralized production of Colgate Herbal toothpaste in Brazil is efficiently supplying this innovative new product globally. Also driving Oral Care growth is the Colgate Navigator toothbrush and the new Colgate Replace, Colgate Premier Ultra and Colgate Plus for kids

toothbrushes. Standouts in Personal Care include Lady Speed Stick cream deodorant and Protex cream soap. Ajax Antibacterial cleaner and Ajax Fiesta de Flores Antibacterial Apple, a new sensorial antibacterial cleaner, each contributed to growth in Household Surface Care.

Colgate-Europe (20% of Company Sales)

European unit volume and local currency sales both rose 6%, as successful new products drove top-line increases in most countries. France, Germany, the United Kingdom, Italy, Greece, Holland, Central Europe and Russia all delivered strong volume growth. In dollar terms, sales decreased 1% reflecting the weak Euro. Operating profits rose significantly in local currencies and were up 5% in dollars.

The battery-powered Colgate Actibrush and the new Colgate Actibrush Bzzz for kids have greatly strengthened Colgate's toothbrush leadership in Europe. For example, Colgate's share of the French manual and battery toothbrush market has more than doubled year to date. Other strong pan-regional new products driving growth include Colgate Herbal toothpaste, now in 13 European countries, Colgate Fresh Confidence toothpaste, Palmolive Vitamins with Vitamin E shower gel and liquid hand soap and Palmolive Spring Sensations dishwashing liquid.

Excellent volume growth in Central Europe and Russia was fueled by the success of Palmolive Naturals translucent soap, Colgate Triple Action toothpaste and the recent launch of Lady Speed Stick Invisible Dry and Mennen Speed Stick Ultimate deodorants.

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

Unit volume and local currency sales both rose 7% in Asia/Africa. Excellent volume growth was achieved in China, Malaysia, Thailand, Hong Kong, New Zealand and South Africa. Dollar sales decreased 2% due to currency translation while dollar operating profits rose 7%. The increase in operating profit in local currency was substantially stronger.

Successful new products spurring growth in Oral Care throughout the region include Colgate Fresh Confidence, Colgate Herbal and Colgate Triple Action toothpastes. In China for example, Colgate's market leadership in toothpaste continues with its national market share, as measured by A.C. Nielsen, now at almost 27%. Colgate's market share in China has risen sequentially in each of the last 19 quarters. South Pacific performance was boosted by outstanding results in Australia, where the success of new Colgate 2in1 liquid toothpaste and mouthwash has lifted Colgate's toothpaste market share to a record 66.5%.

Elsewhere in the region, Palmolive Naturals conditioner, Protex talcum powder and the Colgate Actibrush and Colgate Navigator toothbrushes all contributed to the strong volume growth achieved in the quarter.

Hill's Pet Nutrition (12% of Company Sales)

Innovative new products and veterinary endorsements are driving growth at Hill's, which had excellent results both domestically and internationally. Sales and unit volume each rose 5% against a good year ago performance. Operating profits increased significantly, up 29% versus the second quarter of 2000 benefiting from Hills' continued focus on cost savings programs and manufacturing efficiencies.

Hill's-U.S. increased consumer takeaway of Science Diet in the specialty retail channel, where its growth is outpacing category growth. Consumption building programs targeting new pet owners through veterinarians, shelters and breeders contributed to market share gains, as did the recently introduced Science Diet Sensitive Skin and Science Diet Sensitive Stomach special needs products. The new technologically advanced Prescription Diet z/d formula, which treats and alleviates food related allergies in cats and dogs, helped to increase sales of Prescription Diet in the veterinary channel.

Hill's International growth was strong across Europe, Japan and the South Pacific. New products, including Science Diet Sensitive Skin and Science Diet Sensitive Stomach, helped drive growth as did expansion of the Perfect Shop/Perfect Clinic merchandising programs.

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About Colgate-Palmolive: Colgate-Palmolive is a leading global consumer products company, tightly focused on Oral Care, Personal Care, Household Surface 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, Irish Spring, Protex, Sorriso, Kolynos, Ajax, Axion, Soupline, Suavitel and Fab, as well as Hill's Science Diet and Hill's Prescription Diet pet foods. For more information about Colgate's global business, visit the Company's web site on the Internet at www.colgate-palmolive.com.

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 that could cause such differences. Copies of these filings may be obtained upon request from the Company's Investor Relations Department.

(Table Attached)

Colgate-Palmolive Company Summary of Consolidated Results

Three Months and Six Months Ended June 30, 2001 and 2000

(In Millions Except Per Share Amounts) (Unaudited)

	Second Quarter		First Half	
	2001	2000	2001	2000
Net Sales	\$2,329.6	\$2,336.7	\$4,622.2	\$4,578.5
Cost of Sales	1,051.0	1,065.8	2,083.8	2,086.4
Gross Profit	1,278.6	1,270.9	2,538.4	2,492.1
Gross Profit Margin	54.9%	54.4%	54.9%	54.4%
Selling, General and Administrative Expenses	809.0	832.8	1,627.3	1,649.5
Earnings Before Interest and Taxes	469.6	438.1	911.1	842.6
Operating Profit Margin	20.2%	18.7%	19.7%	18.4%
Net Interest Expense	42.9	44.2	86.5	85.3
Income Before Income Taxes	426.7	393.9	824.6	757.3
Provision for Income Taxes	139.5	132.0	269.5	255.5
Tax Rate	32.7%	33.5%	32.7%	33.7%
Net Income	287.2	261.9	555.1	501.8
Net Earnings per Common Share:				
- Basic	\$.50	\$.45	\$.97	\$.85

- Diluted	\$.47	\$.42	\$.91	\$.80
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Average Common Shares Outstanding:

(in millions)

- Basic	560.6	576.3	562.6	577.2
- Diluted	610.7	629.3	613.1	630.8

The full text of Colgate Releases is available:
Internet Address: <http://www.colgate-palmolive.com>
Shareholder Direct: 1-800-850-2654
E-mail: Investor_Relations@colpal.com