

Colgate Announces Strong Third Quarter - Gross Profit, Operating Profit and Net Profit Margins Reach Record Highs - EPS up 11% on 5.5% Unit Volume Growth

NEW YORK, NEW YORK, October 18, 2001... Colgate-Palmolive Company (NYSE:CL) reported its 10th consecutive quarter of double digit EPS growth and a continuation of strong worldwide unit volume momentum. Global unit volume grew 5.5% in the quarter, with every operating division contributing strong volume gains. Net income increased 8% to \$296.2 million, another record both absolutely and as a percent to sales. Earnings per share increased 11% to \$0.49 per diluted share versus \$0.44 per diluted share in the third quarter of 2000. Dollar operating profits also reached an all time high, up 8% versus the year ago quarter. Continuing sales were up 2.0% versus the year ago period to \$2.4 billion, a third quarter record. Excluding exchange, worldwide sales increased 5%. Gross profit margin improved to an all time record 55.2%, exceeding the Company's 2002 year-end gross margin goal more than one year early.

Reuben Mark, Colgate Chairman and CEO, said: "We are pleased that ongoing market share gains around the world contributed to a continuation of our very robust top-line volume growth.

"Worldwide profitability continues to increase, as it has each year for many years. Operating margin and net margin reached new records at 19.9% and 12.4% to sales.

"Cash generation remains strong and after-tax return on capital, which we consider a vital measurement, reached a new all time record of 28.7% for the first nine months. After-tax return on capital was up 300 basis points versus the same period last year and we expect this ratio to exceed 30% in 2002."

For the first nine months of 2001, diluted earnings per share were \$1.40 vs. \$1.24 in 2000, up 13%. Colgate achieved 5.5% worldwide unit volume growth and continuing sales rose 2.0%. Net income increased 10% to \$851.3 million. Excluding the effect of the stronger dollar, continuing sales grew 6%.

Mr. Mark said further: "Colgate's business fundamentals are very healthy. All indications are that we will finish 2001 in excellent fashion and we plan for another strong volume and earnings year in 2002 despite global economic conditions."

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

The following are comments about third quarter divisional performance:

Colgate-North America (26% of Company Sales)

Positive growth momentum continued in North America with divisional sales reaching an all time high. Unit volume and sales increased 4.5% and 3.5%, respectively, against a very strong performance in the third quarter of 2000. Operating profits rose 7%.

In the U.S., consumer takeaway of Colgate brands continued to exceed category growth with retail consumption of Colgate's products reaching a record high during the quarter. Healthy national market share gains were achieved broadly across major categories including toothpaste, deodorants, body wash, liquid soaps, fabric softeners, all purpose cleaners and automatic dishwasher detergents. Impressive gains in Oral Care were generated by Colgate Total plus Whitening toothpaste, Colgate 2in1 liquid toothpaste and mouthwash, Colgate Actibrush battery powered toothbrush, and Colgate Wave and Colgate Navigator manual toothbrushes. Colgate's leadership of the toothpaste market in the U.S. was strengthened to a national Nielsen market share of 34.3% year to date, up nearly 3 full share points versus the year ago period. In Personal Care, Softsoap Fruit Essentials and new Softsoap Vitamins with Vitamin E shower gels and liquid hand soaps both continue to contribute incremental share. Standouts in other core categories include Lady Speed Stick Invisible Dry deodorant and Palmolive Spring Blossom scent automatic dish detergent gel.

Colgate U.S. has introduced a record setting 20 new products in 2001 including the new Colgate Motion battery powered toothbrush, Colgate Fresh Confidence toothpaste and a line of children's toothbrushes featuring characters from Disney/Pixar's Monsters, Inc. An equally full schedule of new product launches is expected for the year 2002 as well.

Colgate-Latin America (26% of Company Sales)

Colgate-Latin America achieved 7.5% unit volume growth in continuing businesses in the third quarter and dollar sales increased 2.5%. Excluding foreign exchange, continuing sales rose 8%. Mexico, Brazil, Colombia, Venezuela, Central America and Ecuador all delivered excellent volume gains. Dollar operating profits were up 15% versus the third quarter of 2000. The larger business base, cost savings programs, SAP implementation and regionalization each contributed to higher profitability in Latin America.

Market shares are very strong throughout the region and new products are performing well. For example, toothpaste value market share in Mexico reached an all time high during the quarter at 84%, as measured by A.C. Nielsen. Successful new products contributing to gains in Oral Care include Colgate Herbal and Colgate Triple Action toothpastes as well as new Sorriso Fresh Red Gel toothpaste in Brazil. Top performers in toothbrushes are Colgate Navigator, Colgate Replace and Colgate Premier Ultra. Protex cream, Lady Speed Stick Dry Cream and Palmolive Kids bar soap are driving growth in Personal Care. Standouts in other core categories include new Fabuloso Paraiso Tropical liquid cleaner and Suavitel Apple Blossom scent fabric softener.

Colgate-Europe (20% of Company Sales)

European unit volume grew 4.0% and dollar sales increased slightly as innovative new products spurred growth across all categories. Excluding exchange, sales would have increased 4%. The United Kingdom, Italy, Spain, Greece, Denmark, Switzerland, Austria, Russia and Slovenia all achieved healthy volume gains during the quarter. Operating profit was up absolutely and as a percent to sales, both in local currency and in dollars. Excluding the effect of foreign exchange operating profits increased over 9%.

In Oral Care, new Colgate Total Plus Whitening and Colgate Herbal toothpastes added incremental share throughout the region. Notably, Colgate Dental Gum available in sparkling mint, peppermint and menthol is reaching store shelves now in the United Kingdom, a lead global market for this exciting new product. Recent multi-country introductions driving growth in Personal Care include Palmolive Vitamins with Vitamin E liquid hand soap and shower gel and Palmolive Aroma Therapy shower gel and bath foam. Now launched in eleven Western European countries, Ajax Antibacterial All Purpose Cleaner wipes and Ajax Glass wipes are boosting shares in Household Surface Care.

Fueling strong volume growth and market share gains throughout Central Europe and Russia are Colgate Herbal plus Whitening toothpaste, Colgate Navigator toothbrush and Palmolive Vitamins with Vitamin E liquid soap and shower gel.

Colgate-Asia/Africa (16% of Company Sales)

New products and increased promotional activity helped produce 4.0% unit volume growth in Asia/Africa. This regional growth consists of a 5.5% volume increase in Asia/South Pacific, partially offset by an expected 3% volume decline in the Middle East/Africa area. Excellent volume gains were achieved in China as well as in Malaysia, Australia, Fiji and South Africa. Reported sales declined 3.5% due to currency translation. Record levels of planned advertising spending behind new product initiatives combined with foreign exchange negatives resulted in a 14% decline in dollar operating profits for the quarter versus the year ago period.

Colgate continues to expand its Oral Care leadership throughout Asia driven by the success of Colgate Herbal and Colgate Fresh Confidence toothpastes and Colgate Premier Ultra, Colgate Navigator and Colgate Twister toothbrushes. In China for example, Colgate's national toothpaste share has risen for 20 consecutive quarters and is now at 28.1%, as measured by A.C. Nielsen. In Australia, record shares for Colgate Total toothpaste contributed to market share gains in the toothpaste category.

New entries driving growth in other core categories are Axion Spring Fresh dishwashing liquid, Protex talcum powder, Softlan fabric softener and the recently launched Palmolive Fruit Essentials line of bar soap, liquid hand soap and shower gels.

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

The world leader in specialty pet food, Hill's had an excellent quarter in both its domestic and international businesses. New products, veterinary endorsements and enriched marketing programs drove unit volume up a strong 8.0%. Sales rose 9.0% and operating profits increased 12% reflecting the larger revenue base and cost savings initiatives.

Hill's growth has been brought about by a steady stream of innovative new products, effective in-store displays and heavy advertising support. These efforts have strengthened Hill's category leadership and increased consumption of Science Diet in the U.S. specialty retail channel. Hill's robust growth in this channel continues to outpace category growth. Recent introductions contributing to share and volume gains are Science Diet Oral Care for the maintenance of healthy gums and teeth in cats and dogs, Science Diet Canine Adult Lite Small Bites targeted towards smaller dogs and Prescription Diet z/d anti-allergy formula.

Internationally, Hill's achieved strong volume growth across all regions led by double-digit gains in Spain, Germany, Australia, Mexico, Brazil, Argentina and South Africa. Successful new products include Science Diet Canine and Feline Sensitive Skin/Sensitive Stomach and Science Diet Feline Oral Care.

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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 Nine Months Ended September 30, 2001 and 2000

(In Millions Except Per Share Amounts) (Unaudited)

	Third Quarter		Nine Months	
	2001	2000	2001	2000
Net Sales	\$2,391.2	\$2,366.5	\$7,013.4	\$6,945.0
Cost of Sales	1,072.0	1,073.0	3,155.8	3,159.4
Gross Profit	1,319.2	1,293.5	3,857.6	3,785.6
Gross Profit Margin	55.2%	54.7%	55.0%	54.5%
Selling, General and Administrative Expenses	843.8	851.9	2,471.1	2,501.4
Earnings Before Interest & Taxes	475.4	441.6	1,386.5	1,284.2
Operating Profit Margin	19.9%	18.7%	19.8%	18.5%
Net Interest Expense	43.5	48.3	130.0	133.6
Income Before Income Taxes	431.9	393.3	1,256.5	1,150.6
Provision for Income Taxes	135.7	118.0	405.2	373.5
Tax Rate	31.4%	30.0%	32.2%	32.5%
Net Income	296.2	275.3	851.3	777.1
Net Earnings Per Common Share:				
- Basic	\$.52	\$.47	\$1.49	\$1.32
- Diluted	\$.49	\$.44	\$1.40	\$1.24
Average Common Shares Outstanding:				
(in millions)				
- Basic	554.5	573.6	559.9	576.1

- Diluted

603.8

624.9

610.0

628.9

The full text of Colgate releases is available: www.colgate-palmolive.com
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