

## **Colgate Announces Excellent Record-breaking 1996 Results -- 4th Quarter EPS up 50% to \$1.20 per share vs. \$.80 -- Worldwide Unit Volume up 7%**

**New York, New York, February 4th, 1997 ...** - Colgate-Palmolive Company (NYSE: CL) today announced record-breaking sales and profits for the fourth quarter and year ended December 31, 1996.

Fourth quarter sales increased 7 percent to \$2.3 billion and would have risen 8 percent but for the stronger U.S. dollar. Worldwide unit volume also increased 7 percent. Profitability improved sharply and net income climbed 48 percent to \$181.7 million. Earnings per share rose 50 percent to \$1.20 per share vs. \$.80 in 1995.

Colgate's record fourth quarter tops three successive quarters of performance improvement throughout 1996. For the year, sales increased 5 percent to \$8.7 billion and would have been up 7 percent but for the stronger dollar. Unit volume grew 5.5 percent. Net income increased 17 percent to \$635.0 million, and earnings per share also grew 17 percent to \$4.19 per share vs. \$3.58 per share in 1995, excluding a restructuring provision in 1995.

Reuben Mark, Chairman and Chief Executive Officer, said: "Colgate enters 1997 with excellent global momentum. Every operating division around the world achieved healthy unit volume growth in the fourth quarter, led by Colgate-North America, up 7 percent, and Colgate-Latin America, up 11 percent highlighted by further recovery in Mexico. Gross profit margin set a new record for both the quarter and year, increasing by 170 basis points in the quarter to 49.6 percent. Every operating division worldwide enjoyed higher gross margins.

"Our strong volume growth is a reflection of aggressive global new product activity and market share gains, while our sharp increase in gross margin is driven primarily by the disciplined cost savings programs throughout our worldwide operations. We are pleased that advertising was up in the quarter, despite the sharp increase in operating profits, and this will contribute to our ongoing momentum entering 1997.

"Operating cash flow also set new records in the quarter and the year -- over \$300 million for the fourth quarter, a strong increase from last year, and over \$900 million for the year, up 13 percent."

### **Colgate-Europe (25 percent of Company sales)**

New products continue to drive Colgate's growth in Europe. In the fourth quarter, unit volume increased almost 6 percent, with healthy increases in Germany, France, United Kingdom and Italy. Reported sales declined about 1 percent, due primarily to currency translation. For the full year, unit volume increased 3 percent, with sales equal to last year due to currency translation.

Colgate-Europe completed 17 major product launches in 1996, raising market share for the majority of its core categories. Successes included Fabuloso fabric softener, Palmolive shower gel, Ajax Expel cleaner with insect repellent, and Colgate Triple Stripe toothpaste as well as Colgate Sensation toothpaste and toothbrush. In addition, Colgate Total toothpaste continues to build, and has helped propel the Colgate brand to overall market leadership in Germany. In England, where Colgate has been toothpaste market leader for decades, the contribution of Total made fourth quarter shares the highest ever.

### **Colgate-Latin America (24 percent of Company sales)**

Sales rose 16 percent and unit volume increased 11 percent in this region of 34 countries and 500 million people. For the full year, sales increased 8 percent on 7 percent volume growth. Mexico, Argentina, Colgate-Brazil and Kolynos-Brazil experienced especially strong volume growth in the fourth quarter. Colgate-Mexico delivered its best quarter in two years, with sales, unit volume and operating profit all strongly ahead.

New products and increased advertising contributed to Colgate's continued strength in the region. Colgate Total Fresh Stripe and Colgate Baking Soda & Peroxide toothpaste, Protex Fresh soap, Fab Total detergent and affordable refills of Suavitel fabric softener all contributed to growth. Also, Colgate's toothbrush market shares increased throughout the region as a result of boosting product sampling and successful tie-ins with popular cartoon characters and other promotions.

### **Colgate-North America (21 percent of Company sales)**

Colgate-North America had another excellent quarter, finishing a strong year with unit volume up 7 percent on a sales increase of 6 percent in the fourth quarter. New products -- 14 in 1996 -- are steadily building volume in the United States while cost savings programs are increasing profit margins. For the full year, sales and unit volume both increased 5 percent. Major successes including Colgate Baking Soda & Peroxide toothpaste, Palmolive dishwashing liquid and antibacterial hand soap, Speed Stick gel deodorant and Irish Spring Sport soap are raising market shares in key categories. To extend this strong momentum, Colgate recently introduced Colgate Baking Soda & Peroxide Whitening toothpaste, Lady Speed Stick Invisible Dry deodorant and Ajax antibacterial dishwashing liquid.

### Colgate-Asia/Africa (20 percent of Company sales)

Colgate continues its profitable growth in the region, increasing fourth quarter sales and unit volume by 7 percent and 5 percent, respectively. With strong market positions across Asia and Africa, Colgate is investing to build consumption, especially in the important countries of India and China, where volume grew significantly. The market leader among Western toothpaste makers, Colgate-China has expanded its distribution in that country and increased sales of both toothpaste and toothbrushes. Elsewhere in the region, successful new products include Fabuloso fragranced cleaner, Protex Fresh soap, Dynamo antibacterial detergent, Palmolive Optims shampoo and Palmolive shower cream. For the full year, sales increased 6 percent and unit volume grew 7 percent.

### Hill's Pet Nutrition (10 Percent of Company Sales)

The global leader in specialty pet food, Hill's increased sales 6 percent in the fourth quarter on 3 percent volume growth. In 1996, Hill's completed its transition to a company-owned distribution and sales network and relaunched the entire Science Diet line, adding three new products. Sales increased 10 percent on 6 percent volume growth for the full year. Entering 1997, Hill's begins a strong new U.S. national TV ad campaign for Science Diet to further drive awareness and growth.

Hill's-International growth continued strongly in the fourth quarter, especially in Japan and Europe. A local European manufacturing facility was added in 1996 to help keep pace with growth and drive savings. Hill's sells its nutritional pet foods in 63 countries.

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 212 countries and territories under such internationally recognized brand names as Colgate, Palmolive, Mennen, Kolynos, Ajax, Soupline, Suavitel 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 Years Ended December 31, 1996 and 1995 (Dollars in Millions Except Per Share Amounts)

	Fourth Quarter 1996	Fourth Quarter 1995	Years 1996	Years 1995
Net Sales	\$2,297.4	\$2,152.8	\$8,749.0	\$8,358.2
Cost of Sales	1,158.6	1,122.3	4,451.1	4,353.1
Gross Profit	1,138.8	1,030.5	4,297.9	4,005.1
Provision for Restructuring	---	---	---	460.5
Selling, General and Administrative Expenses	832.5	790.2	3,145.9	2,975.7
Earnings Before Interest and Taxes	306.3	240.3	1,152.0	568.9
Net Interest Expense	46.8	59.6	197.4	205.4
Income Before Income Taxes	259.5	180.7	954.6	363.5
Provision for Income Taxes	77.8	58.2	319.6	191.5
Net Income	181.7	122.5	635.0	172.0
Preferred Dividends, Net of Tax	5.3	5.4	21.4	21.6
Earnings Per Common Share	\$1.20	\$0.80	\$4.19	\$1.04
Average Common Shares Outstanding (in millions)	147.1	145.7	146.6	145.2

Full year 1995 results include a restructuring provision of \$369.2 or \$2.54 per share aftertax. Excluding this charge, 1995 net income was \$541.2 or \$3.58 per share.

Assuming full dilution, earnings per common share were \$1.12 vs. \$.76 in the fourth quarter and \$3.90 vs. \$1.02 in the full year. Average common shares used in the fully diluted computation were 161,634,000 vs. 159,878,000 for the fourth quarter and 161,287,000 vs. 147,769,000 in the full year.