

## Colgate Increases EPS 17% in 2000 2nd Quarter; 6.5% Worldwide Volume Growth, and Continued Efficiency Gains

**New York, New York, July 20, 2000** ... - Colgate-Palmolive (NYSE:CL) achieved record earnings for its second quarter ended June 30, 2000, driven by strong, Company-wide unit volume growth and continued gains in productivity. The Company's worldwide unit volume grew 6.5%. Earnings per share increased 17% to \$.42 vs. \$.36 on a diluted basis. Net income rose 15% to a record \$261.9 million. Sales increased 2.5% to \$2.3 billion and would have increased 7% without the impact of the stronger dollar. Gross profit margin improved by 100 basis points; operating profit grew 12.5%, to 18.7% of sales, also a new record. Year-to-date, after-tax return on capital rose from 21.5% to 24.7% and cash flow from operations increased 19% to a record \$657.2 million.

Reuben Mark, Chairman and CEO, said: "We are very pleased by the breadth of this strong growth. Every division worldwide increased unit volume by 6% or better, with each showing growth in operating profit as well. With cost increases in raw and packing materials facing all companies in the industry, we are greatly encouraged that our ongoing savings programs and new initiatives increased gross margin by a full 100 basis points. This increase is at the top end of our ongoing target range for margin improvement. The higher margin, combined with a reduction in overhead, allowed us to maintain high levels of marketing support to further drive global market share in our core consumer categories. With these results and the continued strong execution of our global strategy, we look forward to strong momentum throughout 2000 and beyond."

Following are comments about second quarter divisional performance:

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

Innovative new products are driving the Company's strong top-line growth in North America, creating a more profitable product mix and increasing Colgate's market shares. Unit volume rose 7% and sales increased 8% in the second quarter, excluding divestments.

Colgate-U.S. will introduce 19 new products in 2000, up from 14 in 1999 and 12 in 1998. Of the 19, eight are already on shelves nationally. Among this year's strongest successes is the high-margin battery-powered Colgate Actibrush toothbrush. Also, Colgate Sensitive and Colgate Sparkling White toothpastes have helped increase Colgate's toothpaste market leadership to a recent 32.1% national share, 1.5 share points above the 1999 full-year level. Notable too are Palmolive Spring Sensations, which has driven the Company's dishwashing share to over 40% of the market, and Irish Spring aloe bar soap. Sales of both products have climbed steadily since their 1999 introductions.

Colgate increased its second quarter market shares broadly across major categories, including toothpaste, toothbrushes, dishwashing liquid, soap, automatic dishwasher detergent, all-purpose cleaner and fabric softener. Continuing its active new product pace, Colgate-U.S. has just introduced Softsoap Fruit Essentials hand soap & body wash and Softsoap 2-in-1 hand soap plus moisturizing lotion and announced the second half launch of Colgate 2-in-1 liquid toothpaste & mouthwash. Trade response has been excellent.

### Colgate-Latin America (27% of Company Sales)

Colgate achieved record sales and profits and 7% unit volume growth in Latin America, fueled by major new product initiatives in the region. Standouts were Mexico, which is the division's largest subsidiary, Venezuela, Peru, the Dominican Republic and Central America. Sales increased 4%, affected by the impact of currency translation. Aggressive marketing and long experience in the region enabled Colgate to achieve continued strong growth despite slow economies in the Southern Cone countries and Colombia.

The regional introduction of Colgate Fresh Confidence gel toothpaste, now in 14 Latin countries, fueled strong growth in Oral Care. Focused on the social benefits of long-lasting fresh breath, high-impact marketing programs reach the targeted audience of young people where they live, work and play. New herbal toothpastes are selling strongly throughout the region, as well. Both Colgate Fresh Confidence and Colgate Herbal are being rapidly expanded around the world.

In Personal Care, Palmolive Botanicals shampoo and soap contributed to strong growth, adding market share in various countries, including Brazil, Mexico, Venezuela and Ecuador. Centralized production of Palmolive premium translucent soap is efficiently supplying the entire region from Mexico and Brazil. And new Speed Stick ministick deodorants and Protex Cream soap also performed strongly.

### Colgate-Europe (21% of Company Sales)

Pan-European new product launches successfully drove 6% unit growth broadly across the continent. Among the top performing countries were Italy, the United Kingdom, Spain, the Nordic group, Poland and Turkiye. The weak euro caused reported sales to decline 3%; European sales would have risen 6% without its impact.

The battery-powered Colgate Actibrush is winning strong volume and market share growth across Europe, for example moving Colgate into first place in toothbrushes in the UK and into second place in France. Colgate Fresh Confidence toothpaste, an important global initiative for the Company, is selling strongly in Europe, as elsewhere. And the launch of Colgate Herbal across Central Europe and Russia has strengthened the Company's toothpaste share and unit volume in this high-growth region.

Strong new products in Personal Care ranged from Palmolive translucent soap, being centrally produced in Italy and Turkiye, Palmolive Active shower gel for men, Palmolive Aquarium liquid hand soap, and Palmolive shower gel with vitamin E, which provides long-lasting skin protection. Also gaining share in Europe are Ajax Shower Power and Palmolive Spring Sensations, which is having the same early success as it did in North America.

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

Colgate increased unit volume 6% in Asia/Africa, paced by strong growth in China, the world's biggest emerging market, the Philippines, Malaysia, Australia, Vietnam and South Africa. Sales rose 1% excluding divestments and would have increased 6% except for foreign currency.

Colgate-China has increased distribution to 441 cities and the Company now holds approximately one-quarter of the country's toothpaste market. After the second quarter closed, Colgate formed a majority-owned joint venture with the market-leading toothbrush company, Sanxiao or "Three Smiles." Also spurring growth is Softlan fabric softener, which has gained market share in Southern China, and new Palmolive Naturals shampoo.

New Oral Care products are driving growth throughout the region, especially Colgate Fresh Confidence, Colgate Herbal, and Colgate Triple Action toothpastes, and the Colgate Navigator toothbrush, which helped earn Colgate toothbrush market leadership in Malaysia. Strong sales gains also came from Ajax Fiesta de Flores fragranced cleaner and Axion Spring Sensations in the Philippines, modeled after the successful U.S. initiative.

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

The world leader in premium pet food, Hill's continues to enlarge its business. Unit volume rose 6% in the latest quarter and sales increased 4%. Market shares have increased nationally in both the veterinary and specialty pet channels. Strong veterinarian endorsements, higher sales from Science Diet Feline Hairball Control and its lifestage variants, and effective national selling programs all benefited domestic growth and market shares in the quarter. Enhanced antioxidant protection is being incorporated into a major relaunch of Hill's Science Diet dry food, highlighted in national advertising focusing on "Best Nutrition, Best Ingredients, Best Taste".

Hill's-International grew strongly in all regions. The launch of Science Diet Feline Hairball Control is drawing excellent consumer reaction in Japan. Education programs helped drive strong sales of Prescription Diet in Europe and Asia-Pacific, while expanded outreach to veterinarians fueled gains in Canada.

\* \* \*

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 <http://www.colgatepalmolive.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.

Colgate-Palmolive Company Summary of Consolidated Results  
 Three Months and Six Months Ended June 30, 2000 and 1999  
 (In Millions Except Per Share Amounts)(Unaudited)

|  | Second<br>Quarter | Second<br>Quarter | First Half | First Half |
|--|-------------------|-------------------|------------|------------|
|  | 2000              | 1999              | 2000       | 1999       |
| Net Sales  | \$2,336.7         | \$2,285.0         | \$4,578.5  | \$4,460.3  |
| Cost of Sales  | 1,065.8           | 1,063.7           | 2,086.4    | 2,073.1    |
| Gross Profit   | 1,270.9           | 1,221.3           | 2,492.1    | 2,387.2    |
| Selling,<br>General and<br>Administrative<br>Expenses        | 832.8             | 831.5             | 1,649.5    | 1,632.5    |
| Earnings<br>Before<br>Interest and<br>Taxes                  | 438.1             | 389.8             | 842.6      | 754.7      |
| Net Interest<br>Expense                                      | 44.2              | 44.2              | 85.3       | 90.1       |
| Income<br>Before<br>Income Taxes                             | 393.9             | 345.6             | 757.3      | 664.6      |
| Provision for<br>Income Taxes                                | 132.0             | 117.5             | 255.5      | 227.6      |
| Net Income   | 261.9             | 228.1             | 501.8      | 437.0      |
| Preferred<br>Dividends,<br>Net of Tax                        | 5.1               | 5.1               | 10.4       | 10.3       |
| Net Earnings<br>per Common<br>Share:                         |                   |                   |            |            |
| - Basic  | \$.45             | \$.38             | \$.85      | \$.73      |
| - Diluted  | \$.42             | \$.36             | \$.80      | \$.68      |
| Average<br>Common<br>Shares<br>Outstanding:<br>(in millions) |                   |                   |            |            |
| - Basic  | 576.3             | 584.1             | 577.2      | 583.9      |
| - Diluted  | 629.3             | 640.4             | 630.8      | 640.5      |