

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2000.

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

Commission File Number 1-644

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COLGATE-PALMOLIVE COMPANY

(Exact name of registrant as specified in its charter)

DELAWARE

13-1815595

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(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

300 PARK AVENUE, NEW YORK, NEW YORK

10022

-----  
(Address of principal executive offices)

-----  
(Zip Code)

(212) 310-2000

-----  
(Registrant's telephone number, including area code)

NO CHANGES

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(Former name, former address, and former fiscal year, if changed since last report).

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of the latest practical date:

Class	Shares Outstanding	Date
-----	-----	-----
Common, \$1.00 par value	576,648,224	April 30, 2000

PART I. FINANCIAL INFORMATION

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Dollars in Millions Except Per Share Amounts)  
(Unaudited)

	Three Months Ended	
	March 31,	
	2000	1999
	-----	-----
Net sales	\$2,241.8	\$2,175.3
Cost of sales	1,020.6	1,009.4
	-----	-----
Gross profit	1,221.2	1,165.9
Selling, general and administrative expenses	816.7	801.0
Interest expense	49.1	54.0
Interest income	(8.0)	(8.1)
	-----	-----
Income before income taxes	363.4	319.0
Provision for income taxes	123.5	110.1
	-----	-----
Net income	\$ 239.9	\$ 208.9
	=====	=====
Earnings per common share:		
Basic	\$ .41	\$ .35
	=====	=====
Diluted	\$ .38	\$ .32
	=====	=====
Dividends declared per common share*	\$ .32	\$ .28
	=====	=====

\* Two dividends were declared in each period.  
See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY  
CONDENSED CONSOLIDATED BALANCE SHEETS  
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(Dollars in Millions)  
(Unaudited)

ASSETS -----	March 31, 2000 -----	December 31, 1999 -----
Current Assets:		
Cash and cash equivalents	\$ 206.4	\$ 199.6
Marketable securities	56.0	35.6
Receivables (less allowances of \$37.3 and \$37.2)	1,136.7	1,100.8
Inventories	776.2	783.7
Other current assets	257.0	235.1
	2,432.3	2,354.8
Property, plant and equipment:		
Cost	4,172.2	4,166.0
Less: Accumulated depreciation	1,646.7	1,614.9
	2,525.5	2,551.1
Goodwill and other intangibles (net of accumulated amortization of \$599.1 and \$578.9)	2,165.8	2,185.4
Other assets	260.4	331.8
	\$ 7,384.0	\$ 7,423.1

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Dollars in Millions)  
(Unaudited)

LIABILITIES AND SHAREHOLDERS' EQUITY

	March 31, 2000	December 31, 1999
	-----	-----
Current Liabilities:		
Notes and loans payable	\$ 171.1	\$ 207.3
Current portion of long-term debt	347.2	338.9
Accounts payable	673.1	764.8
Accrued income taxes	133.1	116.6
Other accruals	969.2	845.9
	-----	-----
	2,293.7	2,273.5
Long-term debt	2,285.4	2,243.3
Deferred income taxes	453.0	398.6
Other liabilities	699.5	674.0
Shareholders' Equity:		
Preferred stock	362.7	366.5
Common stock	732.9	732.9
Additional paid-in capital	1,056.0	1,063.2
Retained earnings	4,269.0	4,212.3
Cumulative foreign currency translation adjustments	(1,143.6)	(1,136.2)
	-----	-----
	5,277.0	5,238.7
Unearned compensation	(345.4)	(348.6)
Treasury stock, at cost	(3,279.2)	(3,056.4)
	-----	-----
	1,652.4	1,833.7
	-----	-----
	\$ 7,384.0	\$ 7,423.1
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY  
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS  
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(Dollars in Millions)  
(Unaudited)

	Three Months Ended	
	March 31,	
	2000	1999
	----	----
-----		
Operating Activities:		
-----		
Net cash provided by operating activities	\$ 333.6	\$ 322.0
Investing Activities:		
-----		
Capital expenditures	(67.2)	(62.5)
Payments for acquisitions, net of cash acquired	-	(4.3)
Investments in marketable securities	(21.8)	(4.2)
Proceeds from sales of long-term investments	100.9	1.5
Other	(3.7)	(3.6)
	-----	-----
Net cash provided by (used for) investing activities	8.2	(73.1)
Financing Activities:		
-----		
Principal payments on debt	(55.6)	(23.1)
Proceeds from issuance of debt	50.0	82.7
Dividends paid	(91.8)	(80.8)
Purchase of common stock	(239.9)	(192.1)
Other	3.9	(26.5)
	-----	-----
Net cash used for financing activities	(333.4)	(239.8)
Effect of exchange rate changes on cash and cash equivalents	(1.6)	(1.8)
	-----	-----
Net increase in cash and cash equivalents	6.8	7.3
Cash and cash equivalents at beginning of period	199.6	181.7
	-----	-----
Cash and cash equivalents at end of period	\$ 206.4	\$ 189.0
	=====	=====

See Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares in Millions Except Per Share Amounts)

(Unaudited)

1. The Condensed Consolidated Financial Statements reflect all normal recurring adjustments which, in management's opinion, are necessary for a fair presentation of the results for interim periods. Results of operations for the three months ended March 31, 2000 and 1999 may not be representative of results to be expected for a full year.
2. Provision for certain expenses, including income taxes, media advertising, consumer promotion and new product introductory costs, are based on full year assumptions. Such expenses are charged to operations in the year incurred and are included in the accompanying condensed consolidated financial statements in proportion with the passage of time or with estimated annual tax rates or annual sales.
3. Inventories by major classes were as follows:

	March 31, 2000	December 31, 1999
Raw materials and supplies	\$243.5	\$259.6
Work-in-process	33.3	33.2
Finished goods	499.4	490.9
	-----	-----
	\$776.2	\$783.7
	=====	=====

4. Earnings Per Share:

	Three Months Ended March 31, 2000			Three Months Ended March 31, 1999		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	\$239.9			\$208.9		
Preferred dividends	(5.3)			(5.2)		
	-----			-----		
Basic EPS	234.6	578.2	\$.41	203.7	584.2	\$.35
			=====			=====
Stock options		10.8			12.8	
ESOP conversion	5.1	43.2		4.6	44.3	
	-----	-----		-----	-----	
Diluted EPS	\$239.7	632.2	\$.38	\$208.3	641.3	\$.32
	=====	=====	=====	=====	=====	=====

## COLGATE-PALMOLIVE COMPANY

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Dollars and Shares in Millions Except Per Share Amounts)

(Unaudited)

## 5. Comprehensive income

Comprehensive income is comprised primarily of net earnings and currency translation gains and losses. Total comprehensive income for the three months ended March 31, 2000 and 1999 was as follows:

	Three months ended March 31, 2000	March 31, 1999
	-----	-----
Net income	\$239.9	\$ 208.9
Foreign currency translation adjustment due to devaluation of Brazilian Real	11.8	(224.0)
Other foreign currency translation adjustments	(19.2)	(26.3)
	-----	-----
Total comprehensive income (loss)	\$232.5	\$ (41.4)
	=====	=====

The charge to cumulative translation adjustment resulting from the devaluation of the Brazilian Real in the three months ended March 31, 1999 related to foreign currency denominated goodwill and property, plant and equipment and did not include economic losses on monetary assets.

## 6. Segment Information -

	Three months ended March 31, 2000	March 31, 1999
	-----	-----
Net Sales		
North America	\$ 547.9	\$ 533.3
Latin America	588.4	534.5
Europe	462.4	501.5
Asia/Africa	375.5	361.0
	-----	-----
Total Oral, Personal and Household care	1,974.2	1,930.3
Total Pet Nutrition	267.6	245.0
	-----	-----
Net Sales	\$2,241.8	\$2,175.3
	=====	=====
Earnings		
North America	\$ 114.3	\$ 113.0
Latin America	141.6	128.2
Europe	84.2	89.6
Asia/Africa	47.5	42.4
	-----	-----
Total Oral, Personal and Household Care	387.6	373.2
Total Pet Nutrition	55.6	44.5
Corporate	(38.7)	(52.8)
	-----	-----
Earnings before interest and taxes	404.5	364.9
Interest expense, net	(41.1)	(45.9)
	-----	-----
Income before income taxes	\$ 363.4	\$ 319.0
	=====	=====

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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(Dollars and Shares in Millions Except Per Share Amounts)

(Unaudited)  
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7. Reference is made to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year 1999 for a complete set of financial notes including the Company's significant accounting policies.

COLGATE-PALMOLIVE COMPANY  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

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CONDITION AND RESULTS OF OPERATIONS  
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(Dollars in Millions Except Per Share Amounts)

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Results of Operations  
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Worldwide sales reached \$2,241.8 in the first quarter of 2000, a 3% increase over the 1999 first quarter, reflecting a unit volume increase of 7% partially offset by a decline in foreign currencies. Absent the decline in foreign exchange rates, sales would have also grown 7%.

First quarter sales in the Oral, Personal and Household Care segment were \$1,974.2, up 2% from 1999 on volume growth of 7%.

Colgate-North America sales reached \$547.9 in the first quarter of 2000. Sales, excluding divested businesses, grew 5% on volume gains of 4% primarily driven by the continued strength of new products introduced during 1999. These new products included Colgate Total Fresh Stripe toothpaste, Colgate Navigator flexible-head toothbrush, Irish Spring aloe soap and Palmolive Spring Sensations dishwashing liquid.

Colgate-Europe sales declined 8% to \$462.4 due to the negative effects of the weakened Euro. Volume rose 3% led by the United Kingdom, Italy, France, the Nordic Group and Central Europe. New product launches including the battery-powered Colgate Actibrush and Colgate Fresh Confidence toothpaste added incremental market shares across the region. Colgate-Europe also continued to gain market share in the Personal and Household Care category with products such as Palmolive Aquarium liquid soap, new varieties of Palmolive shower gel and Ajax antibacterial products.

Colgate-Latin America sales increased 10% to \$588.4 as volume increased 11%. The increased sales were fueled by strong growth in Mexico, Central America, the Caribbean, Venezuela, Colombia, Ecuador and Peru. The introduction of Colgate Fresh Confidence toothpaste in 12 new countries contributed to increased sales in this region. The region also had market share gains in the Personal and Household Care category that were driven by products such as Palmolive Botanicals shampoo and bar soap and Ajax Fiesta de Flores fragranced cleaner.

Colgate-Asia/Africa first quarter sales increased 4% to \$375.5 on volume growth of 9%. China continued its significant growth through geographic expansion as well as the introduction of new products including Colgate whitening toothpaste and Softlan fabric softener. Volume growth was also strong in India, Thailand, Malaysia and the Philippines led by new products such as the Colgate Total Professional toothbrush, Palmolive liquid hand soap and shower gel, Ajax Fete des Fleurs cleaner and Palmolive Botanicals translucent soap.

Sales in the Pet Nutrition segment increased 9% to \$267.6 on volume gains of 9%, with strong volume increases in both domestic and international regions. Hill's-International benefited from continued improvements in marketing and customer service programs, as well as the introduction of new products, such as Science Diet hairball control for cats which helped to increase shares in the Japanese market.

Worldwide gross profit margin for the first quarter of 2000 increased to 54.5% from 53.6%, benefiting from continued streamlining of manufacturing, global sourcing and other cost reduction programs.

COLGATE-PALMOLIVE COMPANY  
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

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CONDITION AND RESULTS OF OPERATIONS  
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(Dollars in Millions Except Per Share Amounts)

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Selling, general and administrative expenses as a percentage of sales decreased slightly to 36.4% from 36.8% in 1999.

During the quarter, the Company incurred one-time charges of \$18.7 million related to further manufacturing consolidation and the write-down of certain assets in Africa. Almost all of these one-time restructuring charges were offset by a one-time gain recorded on the sale of real estate property.

Earnings before interest and taxes (EBIT) increased 10.9% to \$404.5, and reached a level of 18.0% of sales.

Interest expense, net of interest income decreased to \$41.1 in the 2000 first quarter as compared with \$45.9 in 1999. The decrease is primarily a result of lower average debt levels during the quarter.

The effective tax rate was 34.0% and 34.5% in the first quarter of 2000 and 1999, respectively. The 34.0% reflects the Company's current estimate of its full year effective income tax rate which is slightly higher than the 1999 full year rate of 32.8%. The rate in 1999 benefited from global tax planning strategies, including the realization of tax credits.

First quarter 2000 net income increased 14.8% to \$239.9 while diluted earnings per share increased 18.8% to \$.38.

Liquidity and Capital Resources  
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Net cash provided by operations increased to \$333.6 in the 2000 first quarter compared with \$322.0 in the 1999 first quarter. At March 31, 2000, \$520.6 of commercial paper was classified as long-term debt in accordance with the Company's intent and ability to refinance these obligations on a long-term basis.

Reference should be made to the Company's 1999 Annual Report on Form 10-K for additional information regarding available sources of liquidity and capital.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters refer to Note 14 to the consolidated financial statements on page 36 of the registrant's Annual Report on Form 10-K for the year ended December 31, 1999.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 12 Ratio of Earnings to Fixed Charges.

Exhibit 27 Financial Data Schedule.

(b) Reports on Form 8-K.

None.

The exhibits indicated above which are not included with the Form 10-Q are available upon request and payment of a reasonable fee approximating the registrant's cost of providing and mailing the exhibits. Inquiries should be directed to:

Colgate-Palmolive Company  
Office of the Secretary (10-Q Exhibits)  
300 Park Avenue  
New York, NY 10022-7499

SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

COLGATE-PALMOLIVE COMPANY

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(Registrant)

Principal Financial Officer:

May 8, 2000

/s/ Stephen C. Patrick

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Stephen C. Patrick  
Chief Financial Officer

Principal Accounting Officer:

May 8, 2000

/s/ Dennis J. Hickey

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Dennis J. Hickey  
Vice President and  
Corporate Controller

## COLGATE-PALMOLIVE COMPANY

## COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

(Dollars in Millions)  
(Unaudited)

	Three Months Ended March 31, 2000 -----
Income before income taxes	\$363.4
Add:	
Interest on indebtedness and amortization of debt expense and discount or premium	49.1
Portion of rents representative of interest factor	8.5
Interest on ESOP debt, net of dividends	0.7
Less:	
Income of less than fifty-percent owned subsidiaries	(1.2) -----
Income as adjusted	\$420.5 =====
Fixed Charges:	
Interest on indebtedness and amortization of debt expense and discount or premium	\$ 49.1
Portion of rents representative of interest factor	8.5
Interest on ESOP debt, net of dividends	0.7
Capitalized interest	1.0 -----
Total fixed charges	\$ 59.3 =====
Ratio of earnings to fixed charges	7.1 =====

In June 1989, the Company's leveraged employee stock ownership plan (ESOP) issued \$410.0 of long-term notes due through 2009 bearing an average interest rate of 8.7%. These notes are guaranteed by the Company. Interest incurred on the ESOP's notes during the first quarter of 2000 was \$8.0. This interest is funded through preferred and common stock dividends. The fixed charges presented above include interest on ESOP indebtedness to the extent it is not funded through preferred and common stock dividends.



This schedule contains summary financial information extracted from the quarterly report on Form 10-Q for the three months ended March 31, 2000 and is qualified in its entirety by reference to such financial statements.

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3-MOS	DEC-31-2000	JAN-01-2000	MAR-31-2000
			206
		56	
		1,174	
		37	
		776	
	2,432		4,172
	1,647		
	7,384		
2,294			2,285
0		363	
		733	
		557	
7,384			2,242
	2,242		1,021
		817	
		0	
		0	
	41		
	363		
	123		
240			
	0		
	0		
		0	
		240	
		.41	
		.38	