

## Colgate Reports Excellent First Quarter EPS up 19% on Robust 7% Unit Volume Growth Rising Profit Margins

**New York, New York, April 19, 2000 ...** - Colgate-Palmolive Company (NYSE: CL) continued its strong growth momentum in the first quarter of 2000. Earnings per share increased 19% to \$.38 vs. \$.32 on a diluted basis as Colgate set an all-time record in profitability. Strong top-line growth around the world produced 7% unit volume growth. Gross profit margin improved by 90 basis points to a record 54.5%, and operating profit margin rose 120 basis points to 18.0%, also a new all-time record. Sales, which would have increased 7% absent foreign currency, increased 3% to \$2.2 billion. Net income rose 15% to \$239.9 million or 10.7% of sales, a first-quarter record in both amount and percent to sales.

Reuben Mark, Colgate Chairman and CEO, said: "Colgate's growth strategies are working well. Broad-based growth by all divisions is hard evidence that increases in consumption and market share are building unit volume for our core products. Again this quarter, gross profit increased at the high end of our target range, and overhead was reduced. This combination led to record earnings and still allowed reinvestment in increased advertising and promotion for future growth. All operating and financial ratios by which we measure profitability and momentum improved versus the year-ago quarter. Whether it was Return on Capital, Gross Margin, Operating Margin or Cash Generation, they all did better and most reached record levels. These strong results increase our confidence in another excellent year for Colgate in 2000."

The following are comments about divisional performances:

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

Colgate-North America is on track to achieve its sixth consecutive year of strong profitable growth in 2000. Unit volume rose 4%, continuing the division's strong momentum especially when compared against the 1999 first quarter sell-in of Colgate Total Fresh Stripe gel, when volume had grown 13%. Sales increased 5% from continuing businesses.

Consumer takeaway of Colgate-U.S. products continues to outpace category market growth rates. Colgate's national market shares increased in toothpaste, toothbrushes, dishwashing liquid, bar soap, automatic dishwasher detergent, all-purpose cleaner and fabric softener. Moving quickly on product innovation, Colgate succeeded with Palmolive Spring Sensations fragranced dishwashing liquid, Colgate Total Fresh Stripe gel toothpaste, Colgate Navigator flexible-head toothbrush, and Irish Spring aloe soap, among other new products. The Palmolive brand captured the Number One position in dishwashing liquid during the quarter, and Colgate's share of this important segment reached an all-time high of 43%. Colgate-Canada and Colgate-Puerto Rico had excellent quarters as well, with Canada again increasing its leadership in toothpaste, deodorant and liquid hand soap.

Aggressive new product activity is continuing throughout 2000. Reaching store shelves now are the new Colgate Actibrush battery-powered electric toothbrush, designed to sell for under \$20, Colgate Maximum Strength Sensitive Toothpaste, the Colgate Sensitive toothbrush, and two formulas of Colgate Sparkling White toothpaste, with baking soda & peroxide and with tartar control. The Number One leader in liquid soap, Colgate is also launching Softsoap Fruit Essentials, Softsoap Active for Men and Softsoap 2-in-1 hand soap with moisturizing lotion.

### Colgate-Latin America (26% of Company Sales)

Regional new product activity and healthier economies fueled Colgate's strong performance in Latin America -- 11% unit volume growth and 10% higher sales. Standouts for the quarter included Mexico, Colgate's largest market in the region, Venezuela, Colombia, Peru, Ecuador, the Caribbean and Central America.

Aided by its almost simultaneous national launch in 12 Latin American countries, new Colgate Fresh Confidence gel toothpaste has added to Colgate's already decisive leadership in Oral Care. Targeted to young people seeking long-lasting fresh breath, Colgate Fresh Confidence is rapidly being expanded to other parts of the world. Additionally, Colgate has expanded its Oral Care leadership with new Sorriso Fresh striped gel toothpaste in Brazil, and new toothbrushes throughout the region, such as the Colgate Navigator flexible-head toothbrush.

Palmolive Botanicals shampoo and bar soap have driven market share gains in Personal Care, as has new Protex Cream soap, which combines skin care and germ-fighting benefits. Ajax Fiesta de Flores fragranced cleaner drove share gains in that category.

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

European unit volume rose 3%, with sizeable increases from the United Kingdom, Italy, France, the Nordic group and Central Europe. The weak Euro caused reported sales to decline 8%; on a constant currency basis, sales rose 3%. Significant new products added market share in Oral, Personal and Household Care. The battery-powered Colgate Actibrush,

now being introduced throughout Europe, has helped Colgate-United Kingdom to double its toothbrush market share. Introductions of Colgate Fresh Confidence, Colgate Superstar and Colgate Sensation Whitening added incremental toothpaste share in key markets. Colgate is gaining market share in Personal Care with Palmolive Aquarium liquid soap, modeled after its 3-D Softsoap Aquarium pump in the U.S., Palmolive translucent soap and new varieties of Palmolive shower gel. Raising Colgate's leadership in household cleaning are Ajax Shower Power and Ajax antibacterial products to clean kitchens and bathrooms. Furthermore, Colgate-Europe is now in the process of launching Palmolive Spring Sensations dishwashing liquid.

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

Vigorous growth in China, India and the ASEAN countries translated into 9% unit volume growth for Colgate-Asia/Africa. Sales increased 4% due to currency translation. Colgate is capitalizing on enormous growth opportunities and recovering economies in Asia. Colgate-China further increased its Number One national leadership in toothpaste, gained incremental share in toothbrushes and expanded distribution to include 410 cities in the first quarter. Entries in new categories, such as Softlan fabric softener, are also doing well. Colgate-India has expanded consumption with affordable new products like Colgate gel toothpaste sachets with re-closeable caps and Colgate toothpowder in sachet packs.

Elsewhere in Asia, toothbrush market shares increased reflecting the Colgate Twister, Colgate Flexible and Colgate Total Professional. Other new products spurring growth included Protex antibacterial talcum, Palmolive liquid hand soap and shower gel, Ajax Fete des Fleurs cleaner and Palmolive Botanicals translucent soap.

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

Unit volume and sales both grew 9% at Hill's, the world leader in premium pet food. New products and enriched marketing programs produced excellent growth throughout North America and internationally. Strong sales of Science Diet Hairball Control formula for cats, and its two new life-stage variants, helped drive strong U.S. growth, as did significant increases in veterinarian endorsements, and targeted marketing programs for veterinary clinics and pet stores. Ongoing major new product activity will continue throughout 2000, combined with national advertising, to begin in the second quarter.

Hill's-International grew strongly in all world regions. Hill's-Europe continues to expand its business through new products, the "Perfect Shop/Perfect Clinic" in-store merchandising programs, and improved customer service. Introduction of Science Diet Hairball Control met excellent success in Japan, where retail marketing programs are driving increases in unit volume and market share for the entire Hill's line.

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.

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(Table Attached)

Colgate-Palmolive Company Summary of Consolidated Results

For the three months ended March 31, 2000 and 1999

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

	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
Gross Profit Margin	54.5%	53.6%
Selling, General and Administrative Expenses	816.7	801.0
Earnings before Interest and Taxes	404.5	364.9
Operating Profit Margin	18.0%	16.8%
Net Interest Expense	41.1	45.9
Income Before Income Taxes	363.4	319.0
Provision for Income Taxes	123.5	110.1
Net Income	239.9	208.9
Preferred Dividends, Net of Tax	5.3	5.2
Net Earnings Per Common Share		
- Basic	\$.41	\$.35
- Diluted	\$.38	\$.32
Average Common Shares Outstanding		
- Basic	578.2	584.2
- Diluted	632.2	641.3

All share figures are adjusted for the 2-for-1 stock split that took effect on June 30, 1999.