

Increased Profitability Contributes to All-time Record Quarter at Colgate

New York, New York, October 20th, 1994 ... - Worldwide sales from ongoing operations increased 8% in the third quarter with global unit volume increasing 6% over the prior year period. Reported sales, including the impact of a previously announced divestiture, increased 6% to \$1.9 billion. Volume growth continued its strong momentum in the rapidly growing developing markets, rising 13% in Asia/Africa and 12% in Latin America. In addition, Hill's Pet Nutrition volume increased 19% worldwide. In the more mature markets, Colgate-North America volume declined 7% and Colgate-Europe increased 5%.

Earnings per share increased 12% to \$1.00 vs. \$.89 in the 1993 third quarter as operating profit grew 13% and net income rose 6% to \$151 million. There were 6% fewer average shares outstanding than in the year-ago quarter, due to Colgate's share buyback.

Reuben Mark, Chairman and CEO said: "We are pleased that Colgate had an excellent quarter in both global unit volume and in gross profit margin. This balanced performance again demonstrates the value of the Company's extensive global operations, our accelerating new products program and our strong presence in the developing world.

"We are particularly encouraged with the strong improvement in gross profit margin, from 47.7% to 49.3% in the latest quarter. This increase was the largest in several years, and was a primary factor in our earnings growth. Gross margin improved for every one of our geographic regions and at Hill's. By operating more efficiently and continuing to emphasize our most profitable core businesses, it was possible to raise worldwide advertising significantly and still increase operating earnings by 13%."

Nine Months Results

For the first nine months, sales increased 6% to \$5.6 billion, and unit volume grew 7%. Gross profit margin improved to 48.6% from 47.8% in 1993. Earnings per share rose 13% to \$2.95 versus \$2.60, and earnings were \$448 million versus \$426 million, before reflecting a one-time charge of \$5 million for the sale of a non-core business in June 1994. The impact of a 1993 mandated accounting charge is excluded from that year's results.

Global new product launches contributed to growth in the third quarter and first nine months. Colgate is emphasizing its new product activity around the world, including four important new launches in the USA during the third quarter.

The following are comments about Colgate's business by geographic region and Hill's:

Colgate-Asia/Africa (approximately 20% of total Company sales)

The 13% volume increase in Asia/Africa encompassed strong advances in Thailand, Malaysia, India, China, Australia and South Africa. Colgate is aggressively supporting its growth in these regions by introducing new products and expanding geographically. Among the technologically advanced products contributing to volume gains are Colgate Total toothpaste, Palmolive Nouriche shampoo, Ajax Gel 2-in-1 bleach/cleaner and the Colgate Precision toothbrush.

Colgate's Chinese joint venture expanded into Beijing during the third quarter and quickly achieved market leadership of the toothpaste category there. Colgate is now active in six of the country's most economically advanced provinces. Colgate is also enlarging its business in India. Its recent acquisition of the Cibaca toothpaste and toothbrush business serves to reinforce Colgate's long-standing oral care leadership in that country of 900 million people. The acquisition closed after the third quarter ended.

Colgate-Europe (approximately 25% of total Company sales)

Despite uneven economic conditions that continue among Western European countries, Colgate-Europe achieved overall 5% volume growth in the third quarter. Subsidiaries in France, the United Kingdom, Greece, Spain and Central Europe achieved the sharpest gains, benefiting from new products, strategic acquisitions and, in the case of Central Europe, geographic expansion. New product activity was focused on the Oral and Household Care categories, notably Colgate Total, Colgate Baking Soda toothpaste, the Colgate Precision toothbrush, combination bleach/cleaners under the Ajax and La Croix brand names, Ajax Compact concentrated cleaner and Fabuloso fragranced light duty cleaner.

Colgate-Latin America (approximately 25% of total Company sales)

Colgate's important subsidiaries in Mexico, Brazil and Colombia led the 12% unit volume growth in Latin America. Throughout the region, Colgate is benefiting from its extensive on-the-ground presence, increased new product activity and advertising, as well as geographic expansion in such countries as Peru and Uruguay. The expansion of Mennen deodorants and baby care products, Colgate Zig Zag and Precision toothbrushes, Colgate Total toothpaste and Palmolive Optims shampoo are

contributing to growth.

New products account for half of the strong volume growth in Mexico, where Colgate achieved significant sales and profits growth vs. 1993. And with increased consumer purchasing power in Brazil, Colgate had record sales and profits as well as significantly higher volume in that country.

Colgate-North America (approximately 20% of total Company sales)

Further reductions in retail inventory accounted for almost all of the 7% volume decrease in Colgate-North America. The inventory reduction and attendant volume decline was less in this quarter than in the previous quarter. Colgate-North America improved its gross profit margin during the third quarter, the greater profitability of its product mix reflecting market share gains in toothbrushes, automatic dishwasher detergent, liquid soaps, and other profitable categories. Initial results are encouraging from the four new product introductions completed nationally during the third quarter: Palmolive dishwashing liquid and antibacterial hand soap, Irish Spring waterfall clean soap, Murphy's kitchen care cleaning products and Colgate Platinum tooth-whitening toothpaste.

Hill's Pet Nutrition (approximately 10% of total Company sales)

Hill's, the world leader in specialty pet foods, increased unit volume 19% in the third quarter, benefiting from expanding marketing programs directed to pet retailers in the USA, successful new products and continued overseas expansion. The new Hill's Prescription Diet formula for improving oral health in dogs and Prescription Diet HealthBlend brand preventive care pet foods have been very positively received by veterinarians. Hill's is undertaking a \$50 million capacity expansion at its Richmond, Indiana, plant to fulfill the growing global demand for its nutritional pet foods.

Colgate-Palmolive is a leading global consumer products company, focusing on the core businesses of Oral Care, Personal Care, Household Surface Care, Fabric Care and Pet Dietary Care. Colgate markets its products in 194 countries and territories under such internationally recognized brand names as Colgate, Palmolive, Mennen, Ajax, Fab, Colgate-Plax, Softsoap and Murphy Oil Soap, as well as Hill's Science Diet and Hill's Prescription Diet pet foods.

Colgate-Palmolive Company Summary of Consolidated Results Three Months and Nine Months Ended September 30, 1994 and 1993 (Dollars in Millions Except Per Share Amounts) (Unaudited)

	Third Quarter 1994	Third Quarter 1993	Nine Months 1994	Nine Months 1993
Net Sales	\$ 1,930.7	\$ 1,823.1	\$5,591.8	\$5,300.9
Cost of Sales	978.9	953.0	2,875.2	2,764.8
Gross Profit	951.8	870.1	2,716.6	2,536.1
Selling, General and Administrative Expenses	696.1	643.8	1,978.5	1,851.6
Earnings before Interest and Taxes	255.7	226.3	738.1 (a)	684.5
Net Interest Expense	26.4	12.6	62.8	34.1
Income Before Income Taxes	229.3	213.7	675.3 (a)	650.4
Provision for Income Taxes	78.3	70.9	232.2	224.4
Income Before Changes in Accounting	151.0	142.8	443.1 (a)	426.0
Cumulative Effect on Prior Years of Accounting Changes	-	-	-	(358.2) (b)
Net Income	\$ 151.0	\$ 142.8	\$ 443.1	\$ 67.8
Preferred Dividends, Net of Tax	\$ 5.5	\$ 5.3	\$ 16.3	\$ 16.2
Earnings Per Common Share:				
- Before Changes in Accounting	\$ 1.00	\$.89	\$ 2.91 (a)	\$ 2.60
- Cumulative Effect on Prior Years of Accounting Changes	-	-	-	(2.27) (b)
- Net Income	\$ 1.00	\$.89	\$ 2.91 (a)	\$.33 (b)
Average Common Shares Outstanding (000)	145,578	154,090	146,698	157,782
Assuming Full Dilution: Earnings Per Common Share				
- Before Changes in Accounting	\$.93	\$.82	\$ 2.72 (a)	\$ 2.43
- Cumulative Effect on Prior Years of Accounting Changes	-	-	-	(2.08) (b)
- Net Income	\$.93	\$.82	\$ 2.72 (a)	.35 (b)
Average Common Shares Outstanding, Assuming Full Dilution (000)	159,602	168,433	160,774	172,314

(a) Includes a one-time charge of \$5.2 aftertax or \$.04 per share for the sale of a non-core business, Princess House.

(b) Reflects a first quarter adjustment for changes in accounting for Other Postretirement Benefits, Postemployment Benefits and Income Taxes.