UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2004.

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

COLGATE-PALMOLIVE COMPANY
(Exact name of registrant as specified in its charter)

Delaware	**13-1815595**
(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
(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 by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☒ No ☐

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Shares Outstanding	Date
Common, $1.00 par value	530,284,900	September 30, 2004

PART I. FINANCIAL INFORMATION

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
Net sales	**$2,695.7**	$2,523.8	**$7,780.9**	$7,330.8
Cost of sales	**1,219.0**	1,136.5	**3,481.0**	3,292.5
Gross profit	**1,476.7**	1,387.3	**4,299.9**	4,038.3
Selling, general and administrative expenses	**939.0**	852.0	**2,646.1**	2,435.0
Operating profit	**537.7**	535.3	**1,653.8**	1,603.3
Interest expense, net	**30.1**	30.4	**87.7**	95.7
Income before income taxes	**507.6**	504.9	**1,566.1**	1,507.6
Provision for income taxes	**178.6**	139.5	**524.7**	458.4
Net income	**$ 329.0**	$ 365.4	**$1,041.4**	$1,049.2
Earnings per common share, basic	**$ .61**	$ .67	**$ 1.92**	$ 1.92
Earnings per common share, diluted	**$ .58**	$ .63	**$ 1.83**	$ 1.81
Dividends declared per common share	**$ .24**	$ .24	**$ .72**	$ .66

See Notes to Condensed Consolidated Financial Statements

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED BALANCE SHEETS

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

	September 30, 2004	December 31, 2003
Assets		
Current assets		
Cash and cash equivalents	**$ 370.6**	$ 265.3
Receivables (net of allowances of $45.7 and $43.6, respectively)	**1,286.7**	1,222.4
Inventories	**863.4**	718.3
Other current assets	**295.2**	290.5
Total current assets	**2,815.9**	2,496.5
Property, plant and equipment:		
Cost	**5,192.9**	5,069.2
Less: Accumulated depreciation	**(2,663.4)**	(2,527.0)
	2,529.5	2,542.2
Goodwill, net	**1,778.0**	1,299.4
Other intangible assets, net	**801.8**	597.6
Other assets	**564.4**	543.1
Total assets	**$ 8,489.6**	$ 7,478.8
Liabilities and Shareholders' Equity		
Current liabilities		
Notes and loans payable	**$ 149.3**	$ 103.6
Current portion of long-term debt	**414.7**	314.4
Accounts payable	**784.6**	753.6
Accrued income taxes	**191.3**	183.8
Other accruals	**1,091.6**	1,090.0
Total current liabilities	**2,631.5**	2,445.4
Long-term debt	**3,120.7**	2,684.9
Deferred income taxes	**454.4**	456.0
Other liabilities	**1,035.9**	1,005.4
Shareholders' Equity		
Preferred stock	**276.3**	292.9
Common stock	**732.9**	732.9
Additional paid-in capital	**1,094.9**	1,126.2
Retained earnings	**8,077.0**	7,433.0
Accumulated other comprehensive income	**(1,838.2)**	(1,866.8)
	8,342.9	7,718.2
Unearned compensation	**(310.6)**	(331.2)
Treasury stock, at cost	**(6,785.2)**	(6,499.9)
Total shareholders' equity	**1,247.1**	887.1
Total liabilities and shareholders' equity	**$ 8,489.6**	$ 7,478.8

See Notes to Condensed Consolidated Financial Statements

COLGATE-PALMOLIVE COMPANY

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Nine Months Ended September 30,	
	2004	**2003**
Operating Activities:		
Net income	**$1,041.4**	$1,049.2
Adjustments to reconcile net income to net cash provided by operations:		
Restructuring	**(14.7)**	—
Depreciation and amortization	**241.2**	230.6
Deferred income taxes	**(1.2)**	17.4
Cash effects of changes in:		
Receivables	**(30.7)**	(10.4)
Inventories	**(127.8)**	(74.3)
Accounts payable and other accruals	**131.2**	75.6
Other non-current assets and liabilities	**(8.9)**	(8.4)
Net cash provided by operations	**1,230.5**	1,279.7
Investing Activities:		
Capital expenditures	**(198.8)**	(187.1)
Payment for acquisitions, net of cash acquired	**(765.0)**	—
Other	**52.6**	50.5
Net cash used in investing activities	**(911.2)**	(136.6)
Financing Activities:		
Principal payments on debt	**(643.4)**	(537.1)
Proceeds from issuance of debt	**1,222.2**	123.1
Dividends paid	**(397.4)**	(366.4)
Purchases of treasury shares	**(453.2)**	(348.7)
Proceeds from exercise of stock options	**67.6**	71.5
Net cash used in financing activities	**(204.2)**	(1,057.6)
Effect of exchange rate changes on cash and cash equivalents	**(9.8)**	2.7
Net increase in cash and cash equivalents	**105.3**	88.2
Cash and cash equivalents at beginning of period	**265.3**	167.9
Cash and cash equivalents at end of period	**$ 370.6**	$ 256.1
Supplemental Cash Flow Information:		
Income taxes paid	**$ 449.5**	$ 333.6

See Notes to Condensed Consolidated Financial Statements

(Dollars 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 interim periods may not be representative of results to be expected for a full year.

   Reference is made to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2003 for a complete set of financial notes including the Company's significant accounting policies.

2. Provision for certain expenses, including income taxes, media advertising and consumer promotion are based on full year assumptions and are included in the accompanying Condensed Consolidated Financial Statements in proportion with estimated annual tax rates, the passage of time or estimated annual sales.

3. Inventories by major classes were as follows:

	September 30, 2004	December 31, 2003
Raw materials and supplies	$ 209.3	$ 182.3
Work-in-process	39.6	30.4
Finished goods	614.5	505.6
	$ 863.4	$ 718.3

4. Comprehensive Income

   Comprehensive income is comprised of net earnings, as well as gains and losses from currency translation and derivative instruments designated as cash flow hedges. Total comprehensive income for the three months ended September 30, 2004 and 2003 was $406.6 and $349.8, respectively. Total comprehensive income for the nine months ended September 30, 2004 and 2003 was $1,070.0 and $1,086.3, respectively. The difference from net income primarily consists of foreign currency translation adjustments. Accumulated other comprehensive income, as reflected in the Condensed Consolidated Balance Sheets, primarily consists of cumulative foreign currency translation adjustments.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

5. Earnings Per Share

	Three Months Ended					
	September 30, 2004			September 30, 2003		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	$ 329.0			$ 365.4		
Preferred dividends	(6.3)			(6.8)		
Basic EPS	322.7	530.8	$ .61	358.6	537.9	$ .67
Stock options and restricted stock		3.9			4.8	
Convertible preference stock	6.3	34.1		6.8	36.4	
Diluted EPS	$ 329.0	568.8	$ .58	$ 365.4	579.1	$ .63

	Nine Months Ended					
	September 30, 2004			September 30, 2003		
	Income	Shares	Per Share	Income	Shares	Per Share
Net income	$ 1,041.4			$ 1,049.2		
Preferred dividends	(19.4)			(19.0)		
Basic EPS	1,022.0	531.7	$ 1.92	1,030.2	537.7	$ 1.92
Stock options and restricted stock		4.2			5.7	
Convertible preference stock	19.4	34.7		18.8	37.0	
Diluted EPS	$ 1,041.4	570.6	$ 1.83	$ 1,049.0	580.4	$ 1.81

(Dollars in Millions Except Per Share Amounts)

6. Stock-Based Compensation

Stock-based compensation plans are accounted for under the provisions of Accounting Principles Board Opinion No. 25, “Accounting for Stock Issued to Employees,” and related interpretations. As all grants had an exercise price not less than fair market value on the date of grant, no compensation expense has been recognized for stock option grants. The following illustrates the effect on net income and earnings per share if the Company had applied the fair value method of Statement of Financial Accounting Standards No. 123, “Accounting for Stock-Based Compensation”:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
Net income, as reported	$ 329.0	$ 365.4	$1,041.4	$1,049.2
Deduct: pro forma stock option compensation expense, net of tax	10.8	12.2	32.3	32.0
Pro forma net income	$ 318.2	$ 353.2	$1,009.1	$1,017.2
Earnings per share:				
Basic – as reported	$ .61	$ .67	$ 1.92	$ 1.92
Basic – pro forma	.59	.65	1.86	1.86
Diluted – as reported	$ .58	$ .63	$ 1.83	$ 1.81
Diluted – pro forma	.56	.61	1.77	1.75

Pro forma stock option compensation expense above is the estimated fair value of options granted amortized over the vesting period.

7. Acquisitions and Divestitures

On June 1, 2004, the Company completed the purchase of 100% of the outstanding shares of GABA Holding AG (GABA), a privately owned European oral care company headquartered in Switzerland, for cash of 1,051 million Swiss francs (US $844) plus a purchase price adjustment of 27.5 million Swiss francs (US $22), paid in the third quarter as a result of incremental cash held by GABA at the date of acquisition. The cost of GABA, net of cash acquired, was $729. GABA is expected to help further build the Company’s world leadership in toothpaste, strengthening its European consumer and professional Oral Care businesses including increased presence in the important pharmacy channel where GABA has a market leading position.

The allocation of the cost of GABA to the assets acquired and liabilities assumed at the date of acquisition is reflected in the Condensed Consolidated Balance Sheet, however this is subject to adjustment as the allocation of purchase price is not yet final. The Company is also completing its analysis of integration plans that may result in additional purchase price allocation adjustments.

The results of GABA’s operations have been included in the Company’s European operating segment in the Condensed Consolidated Financial Statements from the date of acquisition. The inclusion of pro forma financial data for GABA prior to the date of acquisition would have resulted in pro forma sales approximately 1% higher than the Company’s reported sales for the nine month period ended September 30, 2004 and approximately 2% higher for the three and nine month periods ended September 30, 2003, and would have had a slightly dilutive impact on reported earnings for these periods.

On September 29, 2004, the Company paid $23 to increase its ownership interest in its Malaysia subsidiary from 70% to 85%.

(Dollars in Millions Except Per Share Amounts)

On October 1, 2004, the Company acquired from Campbell Brothers Limited its fabric conditioner business in Australia and New Zealand for approximately $34.

8. Restructuring Activities

In line with the divestment of certain European and Latin American detergent brands and the Company's focus on the regionalization of manufacturing facilities to streamline and strengthen its operations, the Company is in the process of realigning certain manufacturing operations and implementing workforce reduction programs. These restructuring costs are recorded in Corporate and relate to Europe (60%), Latin America (30%) and Asia/Africa (10%). Restructuring activity in the three and nine month periods ended September 30, 2004 included the following:

	Three Months Ended September 30, 2004		
	Termination Benefits	Incremental Depreciation	Total
Restructuring accrual at June 30, 2004	$ 24.9	$ —	$ 24.9
Charges	—	—	—
Cash payments	(9.9)	—	(9.9)
Restructuring accrual at September 30, 2004	$ 15.0	$ —	$ 15.0

	Nine Months Ended September 30, 2004		
	Termination Benefits	Incremental Depreciation	Total
Restructuring accrual at December 31, 2003	$ 32.7	$ —	$ 32.7
Charges	3.8	3.0	6.8
Cash payments	(21.5)	—	(21.5)
Non-cash activity	—	(3.0)	(3.0)
Restructuring accrual at September 30, 2004	$ 15.0	$ —	$ 15.0

Substantially all accrued termination benefits shown above are expected to be paid in 2004. These restructuring activities are expected to be substantially completed by the end of 2004 for a total cost of approximately $70, which includes $59.3 of costs incurred in 2003.

In addition, during the third quarter and first nine months of 2004 the Company incurred one-time costs relating to business realignment activities of $6 and $12, respectively.

(Dollars in Millions Except Per Share Amounts)

9. Retirement Plans and Other Retiree Benefits

Components of net periodic benefit cost for the three and nine months ended September 30, 2004 and 2003 are as follows:

	Three Months					
	Pension Benefits				Other Retiree Benefits	
	2004	2003	2004	2003	2004	2003
	United States		International			
Components of Net Periodic Benefit Costs:						
Service cost	$ 10.5	$ 10.0	$ 4.8	$ 4.1	$ 2.5	$ 1.7
Interest cost	18.7	18.9	7.5	7.9	6.0	4.9
Annual ESOP allocation	—	—	—	—	(4.0)	(2.7)
Expected return on plan assets	(20.5)	(18.6)	(4.9)	(5.7)	—	—
Amortization of transition/prior service costs	0.7	0.8	0.2	—	(0.1)	(0.2)
Amortization of actuarial loss	6.0	6.7	0.9	1.5	1.9	0.3
Net periodic benefit cost	$ 15.4	$ 17.8	$ 8.5	$ 7.8	$ 6.3	$ 4.0

	Nine Months					
	Pension Benefits				Other Retiree Benefits	
	2004	2003	2004	2003	2004	2003
	United States		International			
Components of Net Periodic Benefit Costs:						
Service cost	$ 32.9	$ 29.4	$ 14.3	$ 9.7	$ 6.5	$ 4.7
Interest cost	56.8	55.7	22.9	17.9	16.7	14.7
Annual ESOP allocation	—	—	—	—	(9.8)	(8.1)
Expected return on plan assets	(62.6)	(54.7)	(16.0)	(11.7)	—	—
Amortization of transition/prior service costs	2.3	2.4	0.3	0.2	(0.5)	(0.6)
Amortization of actuarial loss	18.4	19.8	3.6	2.9	3.3	0.9
Net periodic benefit cost	$ 47.8	$ 52.6	$ 25.1	$ 19.0	$16.2	$11.6

For the nine months ended September 30, 2004 and 2003 the Company made voluntary contributions of $38.1 and $63.1, respectively, to its U.S. postretirement plans. Any additional voluntary contributions during the fourth quarter of 2004 will depend on the plans' investment performance and other economic conditions.

In December 2003, the Medicare Prescription Drug Improvement and Modernization Act of 2003 (the Act) became law. The Act introduces a prescription drug benefit under Medicare Part D starting in 2006 as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. In May 2004, the FASB issued Staff Position (FSP) FAS 106-2, which requires the Company to recognize the impact of the subsidy by July 1, 2004. Based on current design, management believes that certain health care benefit plans covering a significant portion of the Company's U.S. participants will qualify for the Medicare Part D subsidy, which will partially offset the Company's cost of prescription drug benefits available under these plans. Accordingly, the Company has performed a remeasurement of its plan as of December 31, 2003 and the reduction in the accumulated postretirement benefit obligation attributable to past service cost is approximately $20. The effect on the Company's benefit cost was not material for the three and nine months ended September 30, 2004.

10. Contingencies

The Company is contingently liable with respect to lawsuits, taxes and other matters arising out of the normal course of business.

As a matter of course, the Company is regularly audited by the Internal Revenue Service (IRS). The IRS has completed its examination of the Company's federal income tax returns for 1996 through 1998 and has proposed an assessment that challenges the Company's tax deductions for compensation in connection with expatriate executives. For these periods, the tax in connection with the challenged deductions is $44. The Company is pursuing an administrative appeal before the IRS with respect to this issue. Should the Company be unsuccessful in this appeal, the estimated additional tax related to the potential disallowances for subsequent periods could be as much as $75. The Company believes that its tax position complies with the applicable tax law and intends to defend its position vigorously. It is the opinion of management that the ultimate disposition of this matter, to the extent not previously provided for, will not have a material impact on the financial position, results of operations or ongoing cash flows of the Company.

In 1995, the Company acquired the Kolynos oral care business from Wyeth (formerly American Home Products) (the Seller), as described in the Company's Form 8-K dated January 10, 1995. On September 8, 1998, the Company's Brazilian subsidiary received notice of an administrative proceeding from the Central Bank of Brazil primarily taking issue with certain foreign exchange filings made with the Central Bank in connection with the financing of this strategic transaction, but in no way challenging or seeking to unwind the acquisition. The Central Bank of Brazil in January 2001 notified the Company of its decision in this administrative proceeding to impose a fine, which, at the current exchange rate, approximates $90. The Company has appealed the decision to the Brazilian Monetary System Appeals Council (the Council), resulting in the suspension of the fine pending the decision of the Council. If the fine is affirmed, interest and penalties may also be assessed. Further appeals are available within the Brazilian federal courts. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel and other experts, that the filings challenged by the Central Bank fully complied with Brazilian law and that the Company should either prevail on appeal or succeed in having the fine reduced significantly. The Company intends to challenge this proceeding vigorously.

In 2002, the Brazilian Federal Public Attorney filed a civil action against the federal government of Brazil, Laboratorios Wyeth-Whitehall Ltda., the Brazilian subsidiary of the Seller, and the Company, as represented by its Brazilian subsidiary, seeking to annul an April 2000 decision by the Brazilian Board of Tax Appeals that found in favor of the Seller's subsidiary on the issue of whether it had incurred taxable capital gains as a result of the divestiture of Kolynos. The action seeks to make the Company's Brazilian subsidiary jointly and severally liable for any tax due from the Seller's subsidiary. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel, that the Company should ultimately prevail in this action. The Company intends to challenge this action vigorously.

In addition, the Brazilian internal revenue authority has disallowed interest deductions and foreign exchange losses taken by the Company's Brazilian subsidiary in connection with the financing of the Kolynos acquisition. The tax assessment with interest, at the current exchange rate, and the related potential for assessments in subsequent years approximates $70. The Company and the tax authority have appealed this decision to the First Board of Taxpayers, and further appeals are available within the Brazilian federal courts. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel and other experts, that the disallowance is without merit and that the Company should prevail on appeal. The Company intends to challenge this assessment vigorously.

In addition, Brazilian prosecutors reviewed the foregoing transactions as part of an overall examination of all international transfers of reais through non-resident current accounts during the 1992 to 1998 time frame, a review which the Company understands involved hundreds and possibly thousands of other individuals and companies. At the request of these prosecutors, in February 2004, a federal judge agreed to authorize criminal charges against certain current and former officers of the Company's Brazilian subsidiary based on the same allegations made in the Central Bank and tax proceedings discussed herein. Management believes, based on the opinion of its Brazilian legal counsel, that these officers behaved in all respects properly and in accordance with law in connection with the financing of the Kolynos acquisition. Management intends to support and defend these officers vigorously.

While it is possible that the Company's cash flows and results of operations in a particular quarter or year could be affected by the one-time impacts of the resolution of such contingencies, it is the opinion of management that the ultimate disposition of these matters, to the extent not previously provided for, will not have a material impact on the Company's financial position, ongoing results of operations or cash flows.

COLGATE-PALMOLIVE COMPANY

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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

11. Segment Information

The Company evaluates segment performance based on several factors, including operating profit. The Company uses operating profit as a measure of the operating segment performance because it excludes the impact of corporate-driven decisions related to interest expense and income taxes. Net sales and operating profit by segment were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2004	**2003**	**2004**	**2003**
Net Sales:				
Oral, Personal and Home Care				
North America	$ 623.3	$ 600.3	$1,770.7	$1,782.4
Latin America	566.7	549.0	1,652.6	1,591.8
Europe	689.3	601.5	1,915.1	1,710.1
Asia/Africa	465.8	451.0	1,401.0	1,289.5
Total Oral, Personal and Home Care	2,345.1	2,201.8	6,739.4	6,373.8
Total Pet Nutrition	350.6	322.0	1,041.5	957.0
Total Net Sales	$2,695.7	$2,523.8	$7,780.9	$7,330.8
Operating Profit:				
Oral, Personal and Home Care				
North America	137.2	$ 131.0	409.0	$ 433.7
Latin America	151.8	153.1	469.9	453.4
Europe	135.0	128.0	395.8	369.6
Asia/Africa	72.0	72.4	235.1	208.0
Total Oral, Personal and Home Care	496.0	484.5	1,509.8	1,464.7
Total Pet Nutrition	86.8	90.4	281.6	269.4
Total Corporate	(45.1)	(39.6)	(137.6)	(130.8)
Total Operating Profit	$ 537.7	$ 535.3	$1,653.8	$1,603.3

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

(Dollars in Millions Except Per Share Amounts)

Executive Overview

Colgate-Palmolive Company seeks to deliver consistent, superior shareholder returns by providing consumers, on a global basis, with products that make their lives healthier and more enjoyable.

To this end the Company is tightly focused on two product segments: Oral, Personal and Home Care; and Pet Nutrition. Within these segments, the Company follows a closely defined business strategy to develop and increase market leadership positions in key product categories. These core businesses and product categories are selected and prioritized according to their capacity to sustain longer term growth and strong global equities and to maximize the use of the organization's core competencies to yield a competitive advantage capable of delivering financial returns above its cost of capital.

Operationally, the Company is organized along geographic lines with specific regional management teams having responsibility for the financial results in each area. As a consequence of this geographic diversity – the Company competes in more than 200 countries and territories worldwide – the organization has a geographic balance which reduces exposure to external events in any one country or part of the world.

The Oral, Personal and Home Care segment is operated through four reportable operating segments, North America, Latin America, Europe and Asia/Africa, which sell to a variety of retail and wholesale customers and distributors. In the Pet Nutrition segment, Hill's also competes on a worldwide basis selling its products principally through the veterinary profession and specialty pet retailers.

The Company sees significant opportunities for growth through its ability to identify and meet new consumer needs within the categories in which it competes. This includes deploying the insights and products developed in one region on a global basis. Growth opportunities are especially evident in those areas where the Company can leverage economic development and where rising consumer disposable incomes expand the markets for its products. The organization is, therefore, actively focused on the development of such products using global and local knowledge and consumer insight and has an organization in place to ensure these learnings and product bundles are introduced expeditiously around the world.

To achieve its financial objectives, the Company employs a strategy which is used in all businesses worldwide and that focuses the organization on initiatives to both drive growth and simultaneously fund that growth. Growth, and therefore revenues, is driven by bringing to the marketplace products which offer value to the consumer through new benefits and convenience in the categories where the Company competes. The investments needed to fund this growth are developed through continuous, corporate-wide initiatives to lower costs and increase effective asset utilization.

The Company also continues to prioritize its investments toward its higher margin businesses, specifically Oral Care, Personal Care and Pet Nutrition. In June 2004, the Company completed its acquisition of GABA Holding AG (GABA), a privately owned European oral care company headquartered in Switzerland. Also, consistent with the Company's strategy to de-emphasize heavy-duty detergents, the Company completed the sale of certain European and Latin American laundry detergent brands during 2003 and 2004, respectively, and the Company has agreed to sell its detergent business in Colombia, subject to regulatory approval.

(Dollars in Millions Except Per Share Amounts)

On an ongoing basis, management focuses on a variety of key indicators to monitor business health and performance. These indicators include measurements of market share, sales (including volume, pricing and foreign exchange components), gross profit margins, operating profits and net income; and measures to optimize the management of working capital, capital expenditures, cash flow and return on capital.

Ultimately, the monitoring of these indicators, as well as the Company's corporate governance practices (including the Company's Code of Conduct), are used to ensure that business health is maintained and effective control exercised. The success of these measures is indicated by the vitality of the business, its financial strength, as evidenced by the Company's credit rating of AA- by Standard & Poor's and Aa3 by Moody's Investors Service, and its resultant strong and consistent cash flow, which provides flexibility for future investments and growth.

The Company has been experiencing increased competition within several of its key markets and has responded with higher levels of advertising and promotional spending in strategically targeted countries to build market shares. Raw and packing material costs have also increased significantly during 2004. The combined increase in these costs has more than offset savings generated by the Company's ongoing global cost reduction programs. The Company is in the process of undergoing a worldwide strategic review to evaluate opportunities to further increase operational efficiencies and to accelerate cost savings programs which could result in incremental costs to streamline operations, possibly beginning as early as the fourth quarter of 2004.

Results of Operations

Worldwide sales were $2,695.7 in the third quarter of 2004. Sales increased 7.0% driven by unit volume gains of 7.0% and an offsetting decrease in net selling prices of 2.0% and a positive foreign exchange impact of 2.0%, as compared to the third quarter of 2003. As noted above, this level of volume growth required increased promotional spending, which reduced net selling prices, and higher levels of advertising. The acquisition of GABA contributed 2.0% to worldwide sales and volume growth. Excluding the 2003 divestment of certain European detergent and soap brands and the 2004 divestment of certain detergents in Latin America, sales increased 8.5% on volume growth of 8.5%.

Third quarter sales in the Oral, Personal and Home Care segment were $2,345.1, up 6.5% from 2003 on volume growth of 7.5%, decreases in net selling prices of 2.5% and a 1.5% positive impact of foreign exchange. Excluding the divestments in Europe and Latin America, sales increased 8.0% on volume growth of 9.0%.

Colgate-North America sales increased 4.0% in the third quarter of 2004 to $623.3 on 6.5% volume growth, decreases in net selling prices of 3.0% and a 0.5% positive impact of foreign exchange. Innovative new products generating strong volume and market share growth across categories included Colgate Max Fresh toothpaste, Softsoap Naturals Vanilla Brown Sugar and Softsoap Naturals Morning Mist body washes and Palmolive Oxy Plus dishwashing liquid, as well as new increased media supporting Colgate Total toothpastes. North American operating profit increased 5% from the third quarter of 2003 to $137.2, reflecting sales growth supported by increased commercial investment designed to build market share.

Colgate-Latin America sales increased 3.0% in the third quarter of 2004 to $566.7 as a result of 7.5% volume growth, a negative foreign exchange impact of 4.5% and level net selling prices. Sales, excluding the divested detergent businesses in Ecuador and Peru, increased 4.5% on volume gains of 9.0%. Nearly every country in the region contributed to the strong volume gains including Mexico, Brazil, Venezuela, Argentina, Colombia, Central America, Ecuador, Chile and Peru. New products contributing to growth in the region include Colgate Total Advanced Fresh, Colgate Triple Action Mild Mint, Colgate Sensitive and Colgate Herbal Whitening toothpastes, Colgate Navigator Plus and Colgate Massager manual toothbrushes, Palmolive Aromatherapy translucent bar soap, Palmolive Naturals Milk & Rose Petals shower gel and Lady Speed Stick Aloe multi-form deodorants. Operating profit in Latin America decreased 1% to $151.8 compared to the third quarter of 2003 due to increases in commercial investment and negative foreign exchange.

Colgate-Europe sales as reported increased 14.5% to $689.3 on volume gains of 11.0%, a 3.5% reduction in net selling prices and a 7.0% positive impact of the stronger Euro and other European currencies. Sales, excluding the divested detergent and soap businesses, increased 19.5% on volume gains of 16.0%. The GABA business added 8.5% to both sales and volume growth for the region. Strong volume gains were achieved in Italy, Germany, the United Kingdom, Spain, Russia, Turkey, Belgium, Greece, Adria, Romania and Ukraine. Successful new products driving this strong growth include Colgate Sensitive, Colgate Total Advanced Fresh and Colgate Oxygen toothpastes, Palmolive multi-form deodorants, Palmolive Aroma Crème, Palmolive Thermal and Palmolive Thermal Spa shower gels, and Soupline Hearts fabric conditioner. Operating profit in Europe grew 5% to $135.0, primarily driven by volume growth, higher gross profit margins and the positive impact of foreign currencies, partially offset by increased commercial investment.

Colgate-Asia/Africa second quarter sales as reported increased 3.5% to $465.8 on volume gains of 5.0%, decreases in net selling prices of 4.5% and positive foreign exchange of 3.0%. Sales excluding divestments increased 4.5% on volume gains of 6.0%. Strong volume gains were achieved by China, India, Australia, Taiwan, Malaysia, Philippines, Thailand, Vietnam and South Africa. Successful new products driving gains include Colgate Herbal Salt, Colgate Total Advanced Fresh and Darlie Herbal Natural toothpastes, and the relaunch of Colgate Total toothpaste with new packaging and television advertising. In personal care, Palmolive Naturals Milk & Rose Petals shower gel and Palmolive Naturals Silky Straight shampoo contributed to growth. After a significant increase in commercial investment, operating profit of $72.0 in Asia/Africa was relatively flat with the third quarter of 2003.

Hill's Pet Nutrition sales increased 9.0% to $350.6 on unit volume gains of 3.5%, net selling price increases of 1.5% and positive foreign exchange of 4.0%. New products driving growth in the U.S. specialty retail channel include Science Diet Advanced Protection and new Science Diet Large Breed Light and Science Diet Large Breed Senior. Internationally, strong volume growth was achieved in Australia, Spain, South Africa, Switzerland, France, Hong Kong, Russia and Japan. Science Plan Nature's Best and Prescription Diet Feline m/d contributed to the strong international results. Operating profit declined 4% to $86.8 reflecting the combination of sharply higher agricultural commodities costs and increased commercial investment.

Worldwide sales were $7,780.9 in the first nine months of 2004. Sales increased 6.0% on volume growth of 4.5%, decreases in net selling prices of 1.5% and a 3.0% positive impact of foreign exchange. The GABA business contributed 1.0% to worldwide sales and volume growth. Excluding the 2003 divestment of certain European detergent and soap brands and the 2004 divestment of certain detergents in Latin America, sales increased 7.5% on volume growth of 6.0%.

Sales in the Oral, Personal and Home Care segment for the nine months ended September 30, 2004 were $6,739.4, up 5.5% from the comparable period in 2003 as volume rose 5.0%. Net selling prices declined 2.0% and exchange had a positive impact of 2.5%. Excluding the divestments in Europe and Latin America, sales increased 7.0% on volume growth of 6.5%. Within this segment, Colgate-North America sales decreased 0.5% on volume growth of 1.5%, Colgate-Latin America sales increased 4.0% on volume growth of 6.0%, Colgate-Europe sales increased 12.0% on volume growth of 6.0% (including 4.0% sales and volume growth contributed by GABA), and Colgate-Asia/Africa sales increased 8.5% on volume growth of 6.5%. Excluding the impact of divestments, Colgate-Europe sales increased 16.5% on 10.5% volume growth, Colgate-Latin America sales increased 4.5% on volume growth of 6.5%, and Colgate-Asia/Africa sales increased 10.0% on 8.0% volume growth.

Sales at Hill's Pet Nutrition for the nine months ended September 30, 2004 increased 9.0% to $1,041.5 on volume growth of 4.0% driven by innovative new products, veterinary endorsements and merchandising activities. Net selling prices increased 1.0% and exchange had a positive impact of 4.0%.

Operating profit (loss) related to Corporate increased to $(45.1) in the third quarter of 2004 from $(39.6) in 2003. In the nine month period, operating profit (loss) related to Corporate increased to $(137.6) in 2004 from $(130.8) in 2003 and included a $26.7 pretax gain on the sale of the Company's detergent business in Ecuador and Peru, largely offset by one-time costs associated with restructuring and other cost reduction activities.

Worldwide gross profit margin for the third quarter of 2004 declined to 54.8% from 55.0% in 2003 as the combined impact of increased commercial investment and higher raw and packing material costs more than offset the Company's ongoing global cost reduction programs. Gross profit margin for the first nine months of 2004 increased to 55.3% from 55.1% in 2003.

Selling, general and administrative expenses as a percentage of sales increased to 34.8% in the third quarter of 2004 from 33.8% in 2003 and to 34.0% for the first nine months of 2004 from 33.2% in 2003. The increase in selling, general and administrative expenses includes increased advertising behind the Company's brands. Included in selling, general and administrative expenses is advertising expense of $285.1 in the third quarter of 2004 up from $257.7 in 2003 and $773.1 for the first nine months of 2004 up from $708.3 in 2003.

Operating profit increased to $537.7 in the third quarter of 2004 from $535.3 in 2003, a level of 19.9% of sales compared to 21.2% in the third quarter of 2003. Operating profit increased 3% to $1,653.8 in the first nine months of 2004 as compared to $1,603.3 in 2003.

Interest expense, net of interest income, decreased to $30.1 in the third quarter of 2004 as compared with $30.4 in 2003, and to $87.7 in the first nine months of 2004 as compared to $95.7 in 2003 due to lower interest rates during the period.

The effective tax rate for the third quarter of 2004 increased to 35.2% from 27.6% in 2003. The effective tax rate for the first nine months of 2004 increased to 33.5% compared to 30.4% in 2003. The Company's current estimate of its full year effective income tax rate is 33.4%, which differs from the tax rate for the nine month period due to a change in tax law affecting research and development credits, enacted in the fourth quarter of 2004, and represents an increase over the 2003 annual effective rate of 30.4%. The 2004 increase is due in part to changes in the mix of income in foreign tax rate jurisdictions while 2003 benefited from certain overseas tax planning strategies.

Net income for the third quarter of 2004 declined 10% to $329.0, and earnings per common share decreased 8% to $0.58 per share on a diluted basis, compared with $365.4, or $0.63 per share, in the prior year. For the first nine months of 2004, net income decreased 7% to $1,041.4, and earnings per common share increased 1% to $1.83 per share on a diluted basis versus $1,049.2 or $1.81 per share in 2003. Sales and unit volume growth both worldwide and in relevant geographic divisions are discussed both as reported and excluding divestments. Management believes this provides useful information to investors as it allows comparisons of sales and volume growth from ongoing operations. For a table summarizing segment sales and operating profit please refer to Note 11, "Segment Information," of the Notes to the Condensed Consolidated Financial Statements.

Liquidity and Capital Resources

Net cash provided by operations was $1,230.5 in the first nine months of 2004, compared with $1,279.7 in the comparable period of 2003. The decline is primarily related to higher cash tax payments and working capital changes. A portion of the increased tax payments reflected in net cash provided by operations in the first nine months of 2004 includes tax payments of $55 related to the prior sale of certain non-core detergent businesses.

Investing activities used $911.2 during the first nine months of 2004 compared with $136.6 during the first nine months of 2003, predominantly due to payments for acquisitions. The Company's acquisition of GABA is discussed in Note 7 to the Condensed Consolidated Financial Statements. Capital expenditures reflect a level slightly higher than the comparable period of 2003. Investing activities in both periods include the proceeds from the sales of various marketable securities and investments including the settlement of certain foreign currency contracts, and the 2004 period reflects the proceeds from the sale of certain non-core detergent brands in Latin America.

Financing activities used $204.2 of cash during the first nine months of 2004 compared with a use of $1,057.6 of cash during the first nine months of 2003, predominantly as a result of financing in support of the GABA acquisition. Financing activities also reflect increases in the common stock dividend payments to $0.72 per share during the first nine months of 2004 from $0.66 per share in the first nine months of 2003 and higher share repurchase activity during 2004. In October 2004, the Board of Directors authorized the Company to purchase up to twenty million shares of the Company's common stock during the period October 20, 2004 through December 31, 2005. The Company expects to use its projected cash flow to fund this increased level of share repurchases and to substantially reduce, by year-end 2005, the incremental debt incurred in connection with the GABA acquisition.

Domestic and foreign commercial paper outstanding was $899.9 and $166.2, as of September 30, 2004 and 2003, respectively. The maximum commercial paper outstanding during the nine months ended September 30, 2004 and 2003 was $1,519 and $920, respectively. At September 30, 2004, $1,329.5 of commercial paper and certain current maturities of notes payable were classified as long-term debt as the Company has the intent and ability to refinance such obligations on a long-term basis, including, if necessary, by utilizing its lines of credit that expire in 2007.

Certain of the Company's financing arrangements require the maintenance of a minimum ratio of operating cash flow to debt. The ESOP notes guaranteed by the Company and certain amounts payable to banks contain cross-default provisions. Non-compliance with these requirements could ultimately result in the acceleration of amounts owed. The Company is in full compliance with all such requirements and believes the likelihood of non-compliance is remote.

For additional information regarding liquidity and capital resources, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

This quarterly report on Form 10-Q may contain forward-looking statements. Actual events or results may differ materially from those statements. For information about factors that could cause such differences, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2003, including the information set forth under the caption "Cautionary Statement on Forward-Looking Statements."

Controls and Procedures

The Company’s management, under the supervision and with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures as of September 30, 2004 (the “Evaluation”). Based upon the Evaluation, the Company’s Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) are effective in ensuring that material information relating to the Company, including its consolidated subsidiaries, is made known to them by others within those entities as appropriate to allow timely decisions regarding required disclosure, particularly during the period in which this quarterly report was being prepared. There was no change in the Company’s internal control over financial reporting that occurred during the Company’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters, please refer to Item 3 in the Company’s Annual Report on Form 10-K for the year ended December 31, 2003, Note 13 to the Consolidated Financial Statements included therein and Note 10 to the Condensed Consolidated Financial Statements contained in this quarterly report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The Company repurchases its common stock in the open market and in private transactions to maintain its targeted capital structure and to fulfill the requirements of its compensation and benefit plans. The share repurchase program that was in effect during the third quarter of 2004 was approved by the Board of Directors in March 1993 and publicly announced in May 1993 (the 1993 Program). Under the 1993 Program, which had no expiration date, the Board authorized the Company to purchase such number of shares needed, in management’s discretion, to fulfill the requirements of the Company’s compensation and benefit plans. In the past, the Board has also approved several special share repurchase authorizations from time to time that have been fully utilized. All purchases of the Company’s common stock during the third quarter of 2004 were part of the 1993 Program.

In October 2004 the Board of Directors terminated the 1993 Program and approved a new share repurchase program, under which the Company is authorized to purchase up to 20 million shares of the Company’s common stock. The new share repurchase program, which has an expiration date of December 31, 2005, was announced in October 2004. At this time, the Board also authorized share repurchases on an ongoing basis associated with certain employee elections under the Company’s compensation and benefit programs.

(Dollars in Millions Except Per Share Amounts)

The following table shows the stock repurchase activity for each of the three months in the quarter ended September 30, 2004:

Month	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum number of Shares that may yet be Purchased Under the Plans or Programs[1]
Balance as of June 30, 2004				1,257,060
July 1 through 31, 2004	635,006	$ 56.39	635,006	1,117,638
August 1 through 31, 2004	594,640	$ 52.55	594,640	716,628
September 1 through 30, 2004	677,119	$ 48.36	677,119	344,662
Total	1,906,765		1,906,765	

(1) Under the 1993 Program, the maximum number of shares that may yet be purchased under the program as reflected in this column at a period end was reduced by the number of shares purchased under the program during such period (1,906,765 shares in the third quarter 2004) and was increased by the number of shares used to fulfill the requirements of the Company's compensation and benefit plans during such period (994,367 shares in third quarter 2004).

(Dollars in Millions Except Per Share Amounts)

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 10-A	Colgate-Palmolive Company Above and Beyond Plan – Officer Level.
Exhibit 12	Ratio of Earnings to Fixed Charges and Preferred Dividends.
Exhibit 31-A	Certificate of the Chairman and Chief Executive Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
Exhibit 31-B	Certificate of the Chief Financial Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
Exhibit 32	Certificate of the Chairman and Chief Executive Officer and the Chief Financial Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Sec. 1350.

(b) Reports on Form 8-K:

On July 21, 2004, the Company furnished a current report on Form 8-K pursuant to Item 12 (“Results of Operations and Financial Condition”) containing the press release announcing its earnings for the second quarter of 2004.

On September 8, 2004, the Company filed a current report on Form 8-K pursuant to Item 1.01 (“Entry into a Material Definitive Agreement”) to file the form of individual stock option agreement typically used in connection with stock option grants pursuant to the stockholder-approved 1997 Stock Option Plan of the Company, a copy of which is on file with the SEC as Exhibit 10-M to the Company’s Annual Report on Form 10-K for the year ended December 31, 2003.

On September 20, 2004, the Company furnished a current report on Form 8-K pursuant to Item 7.01 (“Regulation FD Disclosure”) containing the press release previewing its earnings for the third quarter of 2004.

COLGATE-PALMOLIVE COMPANY

SIGNATURES

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 (Registrant)
	Principal Executive Officer:
November 4, 2004	/s/ REUBEN MARK
	Reuben Mark Chairman and Chief Executive Officer
	Principal Financial Officer:
November 4, 2004	/s/ STEPHEN C. PATRICK
	Stephen C. Patrick Chief Financial Officer
	Principal Accounting Officer:
November 4, 2004	/s/ DENNIS J. HICKEY
	Dennis J. Hickey Vice President and Corporate Controller

COLGATE-PALMOLIVE COMPANY

ABOVE AND BEYOND

Officer Level

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ADMINISTRATION

INTRODUCTION

The Above and Beyond Plan encompasses two areas:

1. EXECUTIVE PERQUISITES

An annual allowance for executive perquisites including:

- Home Computers and Accessories
- Home Office Equipment
- Office Furnishings
- Home Maintenance Services
- Legal, Financial, or Income Tax Counseling
- Personal Excess Liability Insurance
- Spousal Life or Disability Insurance
- Physical Fitness, Tennis, or Athletic Club Dues and Fees
- Physical Fitness Equipment
- Sporting / Recreation Equipment and Fees
- Business Air Travel for Accompanying Spouse / Children
- Performing Arts / Cultural and Sporting Events
- Business or University Club Memberships
- Club Memberships (Social, Golf, Yacht, etc.)
- In-Town Parking
- Automobile or Home Security System
- Automobile Leasing / Purchase / Premiums
- Cellular / Mobile Phones
- Educational Course Work
- Educational Course Work
- Pet Care

2. EXECUTIVE BENEFITS - OFFICER LEVEL

The program provides enhancements or additions to the following benefit areas:

- Vacation
- Medical - Annual Physical Examination
- Travel Accident Insurance
- Long Term Disability
- Death-in-Service Benefit
- Death-in-Retirement Benefit
- Life Insurance During Retirement

EXECUTIVE PERQUISITES - OFFICER LEVEL

This portion of the Above and Beyond Plan is designed to afford you optimal flexibility in creating your own personalized program. You are eligible for an annual allowance of $11,500 from which the cost of certain perquisites will be reimbursed to you less applicable income taxes. The perquisite menu is designed to provide items and services to help improve your effectiveness at Colgate and to contribute positively to your personal and family life.

This booklet outlines the menu of items and services from which you may build the plan most valuable to you and your family.

HOME COMPUTERS AND ACCESSORIES

You can purchase a home computer, additional hardware or software, maintenance contracts, and accessories for a new or existing home computer.

Due to the high cost of home computers, if your allowance in the purchase year does not cover the purchase price, the remaining expense can be submitted for reimbursement during the next plan year.

HOME OFFICE EQUIPMENT

The Company recognizes that you may be called upon to work at home on occasion. You may submit expenses for items such as a desk, file cabinet, computer furniture, answering machine, fax machine, or copy machine for your home office. Maintenance contracts required on fax or copy machines are also covered.

OFFICE FURNISHINGS

To recognize the long hours spent in the office required by the responsibilities of your position, you may submit costs incurred for such personally selected furnishings as artwork, desk accessories and similar items. Insurance coverage for valuable items is your personal responsibility.

HOME MAINTENANCE SERVICES

Routine household chores can consume precious personal and family time. Consequently, you may submit costs incurred for such recurring home maintenance services as housekeeping, house painting and washing, items purchased for lawn and garden, snow removal, swimming pool care, landscaping, gutter cleaning, chimney sweeping, and similar upkeep performed at your residence. Capital improvements or items typically “contracted for” such as roofing, siding, sprinkler systems, etc. are considered non-covered expenses.

LEGAL, FINANCIAL, OR INCOME TAX COUNSELING

Expenses associated with counseling from a reputable firm or individual pertaining to financial, estate, tax or legal matters and the preparation of tax returns are reimbursable. This also includes will preparation for yourself and members of your immediate family. The Company will not recognize statements for services rendered from employees of the Company, nor from relatives of the participating executive. Of course, this service is not available to pay fees incurred in any action in which your interest is contradictory to the Company’s.

Due to the potential high cost associated with such services, if your allowance in the year services are rendered does not cover the expense incurred, the remaining expense can be submitted for reimbursement during the next plan year.

PERSONAL EXCESS LIABILITY INSURANCE

You may submit premiums for personal excess liability insurance for reimbursement. This is insurance which provides against catastrophic liability claims and is often referred to as “personal umbrella”, “personal excess”, or “personal catastrophe liability insurance”. Such policies are intended to provide an added layer of liability coverage (usually in multiples of $1 million) to normal insurance policies and do not begin to pay until the limits of the normal policies have been exhausted. You can purchase excess liability insurance through your insurance broker to meet your personal needs.

SPOUSAL LIFE OR DISABILITY INSURANCE

You may submit premiums for spousal life or disability insurance for reimbursement, other than your share of the premium for dependent coverage offered in the Colgate flexible benefits program.

PHYSICAL FITNESS, TENNIS, OR ATHLETIC CLUB DUES AND FEES

You may submit expenses associated with annual membership dues for tennis, swimming, squash or racquetball clubs, or local YMCA-YWCA's or other fitness centers for yourself or your family. Non-equity initiation fees and related annual fees, e.g., locker fee or seasonal court rental, and personal trainer fees are also included. Incidental costs are your personal responsibility.

PHYSICAL FITNESS EQUIPMENT

As an adjunct to the menu item of "Physical Fitness, Tennis, or Athletic Club Dues and Fees", expenses for the purchase of exercise equipment for use at your home are covered. This includes weight lifting systems, rowing or skiing machines, exercise bikes, instructional videos, and similar fitness equipment. Expenses for running shoes or safety equipment associated directly with the use of Physical Fitness Equipment are also covered.

SPORTING / RECREATION EQUIPMENT AND FEES

To encourage participation in activities which you and your family find helpful in reducing stress (such as fishing, boating, hiking, golf, bicycling, running, yoga, or playing an instrument / any number of team sports), the purchase of equipment, specialized clothing and safety equipment associated with the activity is covered under the plan. Music lessons as well as lessons such as golf, tennis, self-defense are also covered expenses.

BUSINESS AIR TRAVEL FOR ACCOMPANYING SPOUSE / CHILDREN

If you choose to have your spouse or children accompany you on an approved business trip, their associated airfare may be submitted for reimbursement.

PERFORMING ARTS / CULTURAL AND SPORTING EVENTS

You may submit the actual cost of tickets or subscriptions to the theater, opera, ballet, museums, musical concerts and cultural or sporting events incurred by you or your immediate family. You may also submit the cost of movie tickets and videos (purchase or rental) for reimbursement.

BUSINESS OR UNIVERSITY CLUB MEMBERSHIPS

You may submit annual dues for luncheon clubs sponsored by, or affiliated with, professional or alumni organizations for reimbursement. Incidental costs are your personal responsibility.

CLUB MEMBERSHIPS

You can use your annual allowance towards membership in a country club, golf or yacht club or sporting club (e.g., a soccer club). The allowance can be used to pay non-equity initiation fees, annual dues and related annual fees such as boat slip fees, greens fees, annual locker rental or golf club storage. Incidental charges for meals, drinks, or purchases of miscellaneous items from the club are not covered.

IN-TOWN PARKING

You can rent a parking space near the office on an annual, monthly, or daily basis and submit the charges for reimbursement.

AUTOMOBILE OR HOME SECURITY SYSTEM

Expenses associated with the installation of any electrical or mechanical alarm system for your automobile or home to provide additional security for you and your family are reimbursable. On-going system maintenance fees are also reimbursable.

AUTOMOBILE LEASING / PURCHASE / INSURANCE

You may lease or purchase a car and submit the costs and associated fees for reimbursement. You may also submit your automobile insurance premiums for reimbursement.

CELLULAR / MOBILE PHONES

You may submit expenses for the purchase, installation and repair of a cellular or mobile telephone and associated monthly service charges. Personal usage costs are your responsibility and are not covered.

EDUCATIONAL COURSE WORK

Reimbursement of tuition, books, and fees for educational courses not related to your work for you or your family is allowable. For instance, adult education courses offered at local community colleges are covered. However, all expenses associated with the formal education of your children (including preschool) are specifically excluded (e.g., tuition, books, room and board, etc.).

PET CARE

Fees associated with grooming and boarding your pets are covered expenses. Costs for a pet walking/sitting service are also covered as well as Veterinarian fees/visits.

EXECUTIVE BENEFITS - OFFICER LEVEL

The Officer Level Executive Benefits Program provides benefits above and beyond Colgate's regular benefits program. In some cases, these are additional benefits; in other cases, they supplement or replace existing benefits you enjoy as a salaried Colgate employee. These executive benefits recognize the extra effort you and your family make in contributing to Colgate's success.

Please note, this section provides a summary of your executive benefits. It is not intended to answer all your questions. Please contact your Human Resources representative for further clarification.

The Company pays the full cost of all executive benefits except for post-retirement life insurance, which you may elect to purchase through utilization of a special Retiree Insurance Account established in your name. You do not need to complete any enrollment forms as these benefits are provided automatically.

VACATION

Executives in the Colgate Above and Beyond Plan are eligible for vacation above and beyond normal Company policy. As a participant at the Officer Level, a minimum of four weeks' vacation is available to you. Of course, this does not limit additional vacation earned through length of service with the Company. In addition, you may utilize the regular Vacation Exchange Options provided under the flexible benefits program to buy or sell additional vacation days.

MEDICAL - ANNUAL PHYSICAL EXAMINATION

The Company is concerned about you maintaining your good health and therefore provides an annual comprehensive physical examination to facilitate early detection and correction of medical conditions. The Company has contracted with a third-party medical service to provide this exam. If you choose to use your own personal physician, the Company will cover expenses up to the cost of the Company provided physical. Results are confidential and solely for your benefit.

TRAVEL ACCIDENT INSURANCE

Generally, Colgate's regular Travel Accident Insurance Plan provides benefits if you die or are dismembered while traveling on business.

Under the Executive Benefits Program, these benefits are extended to you 24 hours a day, throughout the year. This means you are covered for accidental death or dismemberment under any circumstances.

As a member of the Program, you are eligible for benefits from this Plan equal to three times your recognized earnings, up to a maximum of $750,000 of coverage. This represents an additional $250,000 over the regular travel accident maximum otherwise available to salaried employees.

LONG TERM DISABILITY

The Salaried Disability Plan provides income protection if you become ill or injured and are unable to work for a long period of time. The first 26 weeks of disability are covered under the Short Term Disability Plan. The Long Term Disability (LTD) Plan provides benefits if your disability lasts beyond 26 weeks.

The regular LTD Plan covers your Recognized Earnings (RE) up to a limit ($300,000 effective 1/1/02). Under the Executive Benefits Program, we cover your RE above that limit. Your amount of benefit is the 50% or 60% level you elected under the regular LTD Plan. However, if you elected 70% under the regular plan, your Executive benefit is provided at the 60% level.

You make normal contributions for regular LTD coverage up to the RE limit ($300,000 effective 1/1/02). However, there is no cost to you for the coverage provided under the Executive Benefits Program above the limit.

DEATH-IN-SERVICE BENEFIT

If you die while actively employed with the Company, your eligible survivors are entitled to a monthly annuity. Your spouse will receive a monthly benefit equal to 20% of your monthly Recognized Earnings at the time of your death. This benefit is payable to your spouse and continues until you would have been age 65. If your spouse is not living and your dependent children are under age 23, the benefit is paid to them until they reach age 23, or until you would have been age 65 — whichever comes first.

This benefit is in addition to life insurance benefits and the Spouse's Benefits available through the Employees' Retirement Income Plan.

DEATH-IN-RETIREMENT BENEFIT

[Note: This feature will not be applicable to those retirees who elect to receive a lump sum payment of their Personal Retirement Account (PRA) .] This special feature of the Officer Level Executive Benefits Program provides additional monthly income to your spouse if you die during retirement. Through this feature, your spouse would receive a monthly pension equal to 25% of your normal monthly retirement benefit for life. However, this benefit is only payable if you choose an annuity form of benefit under the regular Employees' Retirement Income Plan. This is in addition to any other surviving spouse's benefits payable under the regular retirement plan. However, in no event may your spouse's total retirement income exceed 100% of your normal retirement benefit.

Eligibility requirements for this benefit are:

- 10 years of vesting service; **and**
- you were married to your spouse for at least one year at the time of your retirement; **and**
- you were married to the same spouse at the time of your retirement and your death, **and**
- your spouse is your only designated beneficiary

In addition, if your spouse is more than 60 months younger than you, your spouse's benefit will be reduced 1/8 of 1% (.00125) per month for each month over 60 months that your spouse is younger than you.

This supplemental 25% benefit, which is not funded, is paid from the general assets of the Company.

LIFE INSURANCE DURING RETIREMENT

Under the Officer Executive Benefits Program, you are eligible for an increased amount of life insurance during retirement in lieu of the regular Company Life Insurance Plan provided you meet the eligibility requirements described below.

At retirement, if you have at least 10 years of service with Colgate and you have elected life insurance equal to at least two times your Group Life Earnings for each of the five years immediately preceding your retirement, you will qualify for a post-retirement life insurance benefit equal to one-half your recognized earnings, with a maximum coverage of $750,000. The amount of coverage remains constant throughout your retirement. In order to receive this coverage, you must purchase it with your Retiree Insurance Account (RIA) or other funds.

At retirement, if you have at least 10 years of service with Colgate but you have not elected life insurance coverage equal to at least two times your Group Life Earnings for each of the five years immediately preceding your retirement, you will eligible to purchase the non-contributory life insurance benefit of the regular Company Life Insurance Plan and the supplemental post retirement offered under the Officer Level Executive Benefits Program will not apply.

The amount you contribute toward the cost of such coverage is determined at the time of your retirement based on the value of your RIA and the value of your coverage. The methodology to determine this amount is the same as described in the regular Life Insurance Plan.

At retirement you will be requested to make an election if you wish to purchase this coverage.

TAX CONSIDERATIONS

There are income tax considerations associated with certain executive benefits and perquisites. Below is a general explanation of the current tax law impact. However, you should consult your personal tax advisor to determine how these taxes may apply in your particular case.

EXECUTIVE BENEFITS

Under current income tax law, executive benefits are treated as follows:

- **Travel Accident**

  Benefits paid from this Plan are not taxable.

- **Long Term Disability**

  Ordinary income taxes are payable when LTD benefits are paid under the Officer Level Executive Benefit Plan. In addition, a portion of your regular plan LTD benefits may also be taxable.

- **Death-in-Service Benefit**

  This executive benefit is taxable as ordinary income when payments are received.

- **Death-in-Retirement Benefit**

  This executive benefit is taxable as ordinary income when payments are received.

- **Life Insurance During Retirement**

  Based on current income tax law, post-retirement life insurance coverage in excess of $50,000 may generate imputed income once you retire. You will receive a W-2 form from the payroll department each year for any such imputed income. However, benefits paid to your beneficiary would not be considered taxable income.

EXECUTIVE PERQUISITES

It is important to note that all expenses reimbursed from the Plan will be taxed as regular income at supplemental rates for federal, state and local income tax purposes and will be included in your W-2 for the year in which the reimbursement is made.

When you receive reimbursement from the Plan, under current law, taxes will be withheld as follows:

- 25% federal income tax (supplemental rate)
- state and local taxes, where applicable
- FICA, if you have not satisfied the maximum
- Medicare (1.45%)

For example, assume you live in New York (NYC non-resident) and join a health club that costs $1,000 in annual membership fees. When you submit your expenses under the Plan, taxes will be withheld from the $1,000 at the supplemental tax rates and you will be reimbursed $653.50 (assuming you have already satisfied your FICA obligation). Keep in mind, the full $1,000 is considered taxable income when you file your income tax return.

Note: Certain amounts may be deductible on your income tax return for the year in which you pay them. For example, the amount you pay for income tax preparation may be deductible, subject to certain deduction limitations.

ADMINISTRATION

ELIGIBILITY

The Above and Beyond Plan applies to Colgate executives working in the United States who are assigned to EICP-eligible positions.

Regular part-time executives, assigned a continuous work schedule of at least 17.5 hours per week are eligible for a pro-rated portion of the annual allowance based on their part-time schedule versus a full-time schedule. However, part-time executives are NOT eligible for Executive Benefits.

PLAN ADMINISTRATION

The interpretation and administration of the Above and Beyond Plan is the sole responsibility of Global Compensation.

TERM OF PLAN

The original effective date of the Plan was January 1, 1986. This brochure reflects changes through June, 2004. Each calendar year is a Plan year. As with all Colgate benefit plans, the Company expects and intends to continue this Plan indefinitely, but reserves the right to end or amend it. If this Plan is terminated by the Company, any eligible requests for reimbursement received by the Plan Administrator prior to plan termination will be paid.

ANNUAL ALLOWANCE - OFFICER LEVEL

The allowance is an annual sum you can apply to the cost of approved menu items. The Company will reimburse you for items or services from the menu, up to your allowance maximum of **$11,500**. Applicable taxes will be withheld from your reimbursement at a supplemental rate, which may not reflect your total tax liability. (Please refer to the section “Tax Considerations” for further information.)

Eligible part-time participants’ allowances will be prorated based on their part-time schedule versus a full-time schedule.

Any portion of the allowance not utilized in a Plan year will not be carried forward or used for any other purpose.

The allowance is not considered in the calculation of your Recognized Earnings.

REIMBURSEMENT PROCEDURE

Step 1. You purchase an item or pay a fee for a service that appears on the menu.

Step 2. Log on to Ourcolgate.com, select HR&You, Update Your Personal Information link and then log on with your ourColgate User ID and password.. If you have any questions, you can call the HR Information Center at x3500 or 1-888-98CPCARES.

Step 3. Your allowance will be debited the gross cost of an approved menu item for which you submit documentation, up to the balance of your annual maximum.

Step 4. You will receive reimbursement, less applicable withholding taxes.

Note: Any payment to you under the Above and Beyond Plan is for the sole purpose of reimbursing to you the expense, less withholding taxes, related to your use of approved menu items. If for any reason you receive a refund for any menu item or service after reimbursement, you are obliged to return that sum to the Company. Your allowance will be credited in that amount.

TIMING OF REIMBURSEMENT SUBMISSIONS

For your convenience, requests for reimbursement under the Plan are accepted at any time during the Plan year, and up to February 28 of the following year.

NEW PARTICIPANTS

Employees who become eligible to enter the Above and Beyond Plan during a Plan year will participate on the following schedule:

Quarter Entering the Plan	**Schedule of Benefits**
First Quarter	Full allowance and supplemental vacation are available for the Plan year.
Second or Third Quarter	Allowance and supplemental vacation are prorated for the number of months in the Plan.
Fourth Quarter	Eligible employees will enter the Plan on January 1 of the next Plan year.

In all cases, participation in executive benefits will coincide with the actual date of eligibility.

PROMOTION

Current participants promoted to a position eligible for a higher level of Plan participation will enter the new level on the following schedule:

Quarter Promoted	**Schedule of Benefits**
First Quarter	Full plan year participation is based on the allowance for the new position.
Second or Third Quarter	The allowance is prorated for the number of months in each plan level.
Fourth Quarter	The participant will participate in the former Plan level for the remainder of the Plan year. The new allowance will be available January 1 of the next Plan year.

TERMINATION OF EMPLOYMENT

Your executive perquisite allowance and Executive Benefits will cease on the date of termination. Except, upon retirement, your applicable executive benefits will continue.

FOR MORE INFORMATION

The Above and Beyond Plan is interpreted by the Global Compensation Department. **Questions pertaining to the Plan should be directed to the HR Information Center at 1-888-98CPCARES**

This publication was produced by the Global Compensation Department of Colgate-Palmolive Company – June 2004.

COLGATE-PALMOLIVE COMPANY

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS

(Dollars in Millions)
(Unaudited)

	Nine Months Ended September 30, 2004
Earnings:	
Income before income taxes	$ 1,566.1
Add:	
Interest on indebtedness and amortization of debt expense and discount or premium	91.1
Portion of rents representative of interest factor	28.3
Less:	
Gain on equity investments	(4.0)
Income as adjusted	$ 1,681.5
Fixed Charges:	
Interest on indebtedness and amortization of debt expense and discount or premium	$ 91.1
Portion of rents representative of interest factor	28.3
Capitalized interest	1.5
Total fixed charges	$ 120.9
Preferred Dividends:	
Dividends on Preference Stock	$ 24.7
Ratio of earnings to fixed charges	13.9
Ratio of earnings to fixed charges and preferred dividends	11.5

EXHIBIT 31-A

I, Reuben Mark, certify that:

1. I have reviewed this quarterly report on form 10-Q of Colgate-Palmolive Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) [Reserved.]
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2004

/s/ REUBEN MARK

Reuben Mark
Chairman and Chief Executive Officer

EXHIBIT 31-B

I, Stephen C. Patrick, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Colgate-Palmolive Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) [Reserved.]

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2004

/s/ STEPHEN C. PATRICK

Stephen C. Patrick
Chief Financial Officer

EXHIBIT 32

The undersigned Chairman and Chief Executive Officer and Chief Financial Officer of Colgate-Palmolive Company each certify, pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Sec. 1350, that:

1. The Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2004 (the “Periodic Report”) which this statement accompanies fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m) and
2. Information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of Colgate-Palmolive Company.

Date: November 4, 2004

/s/ REUBEN MARK

Reuben Mark
Chairman and Chief Executive Officer

/s/ STEPHEN C. PATRICK

Stephen C. Patrick
Chief Financial Officer