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

FORM 10-K
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1998
OR
[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
COMMISSION FILE NUMBER 1-10585

CHURCH & DWIGHT CO., INC.
(Exact name of registrant as specified in its charter)

INCORPORATED IN DELAWARE I.R.S. EMPLOYER IDENTIFICATION NO. 13-4996950

469 NORTH HARRISON STREET, PRINCETON, NEW JERSEY (Address of principal executive offices) 08543-5297 (Zip Code)

Registrant's telephone number, including area code: (609) 683-5900

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, $1 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: None

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 and (2) has been subject to such filing requirements for the past 90 days.

Yes X No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of March 8, 1999, 18,767,558 shares of Common Stock held by non-affiliates were outstanding with an aggregate market value of approximately $809 million. The aggregate market value is based on the closing price of such stock on the New York Stock Exchange on March 8, 1999.

As of March 8, 1999, 19,403,789 shares of Common Stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE:

PARTS II AND IV Portions of registrant's 1998 Annual Report to Stockholders.

PART III Portions of registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on May 6, 1999.

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PART I

ITEM 1. BUSINESS.

The Company was founded in 1846 and is the world's leading producer of sodium bicarbonate, popularly known as baking soda, a versatile chemical which performs a broad range of functions such as cleaning, deodorizing, leavening and buffering. The Company specializes in sodium bicarbonate and sodium bicarbonate-based products, along with other products which use the same raw materials or technology or are sold into the same markets.

The Company sells its products, primarily under the ARM & HAMMER(R) trademark, to consumers through supermarkets, drug stores and mass merchandisers; and to industrial customers and distributors. ARM & HAMMER is the registered trademark for a line of consumer products which includes ARM & HAMMER Baking Soda, ARM & HAMMER DENTAL CARE(R) Dentifrices and ARM & HAMMER DENTAL CARE Gum, ARM & HAMMER Carpet Deodorizer, ARM & HAMMER Deodorizing Air Freshener, ARM & HAMMER Powder and Liquid Laundry Detergent and ARM & HAMMER Deodorant Anti-Perspirant with Baking Soda. The ARM & HAMMER trademark is also used for a line of chemical products, the most important of which are sodium bicarbonate, ammonium bicarbonate, sodium sesquicarbonate, ARM & HAMMER MEGALAC(R) Rumen Bypass Fat and ARMEX(R) Blast Media. The Company also owns BRILLO(R) Soap Pads and other consumer products. In 1998, consumer products represented 82% and specialty products 18% of the Company's sales. Approximately 91% of the Company's sales revenues are derived from sales in the United States.

CONSUMER PRODUCTS

PRINCIPAL PRODUCTS

The Company's founders first marketed baking soda in 1846 for use in home baking. The ARM & HAMMER trademark was adopted in 1867. Today, this product is known for a wide variety of uses in the home, including as a refrigerator and freezer deodorizer, scratchless cleaner and deodorizer for kitchen surfaces and cooking appliances, bath additive, dentifrice, cat litter deodorizer, and swimming pool pH stabilizer. The Company estimates that a majority of U.S. households have a box of baking soda on hand. Although no longer the Company's largest single business, ARM & HAMMER Baking Soda remains the leading brand of baking soda in terms of consumer recognition of the brand name and its reputation for quality and value.

The deodorizing properties of baking soda have since led to the development of several other household products; ARM & HAMMER Carpet Deodorizer and ARM & HAMMER Deodorizing Air Freshener are both available in a variety of fragrances. In 1992, the Company launched ARM & HAMMER Cat Litter Deodorizer, a scented baking soda product targeted to cat-owning households and veterinarians. During the fourth quarter of 1997, the Company introduced nationally ARM & HAMMER SUPER SCOOP(R), The Baking Soda Clumping Litter, which competes in the fast-growing clumping segment of the cat litter market.

The Company's largest consumer business today, measured by sales volume, is in the laundry detergent market. The ARM & HAMMER brand name has been associated with this market since the last century when ARM & HAMMER Super Washing Soda was first introduced as a heavy-duty laundry and household cleaning product. The Company today makes products for use in various stages of the laundry cycle; powdered and liquid laundry detergents, fabric softener dryer sheets and a laundry detergent booster.

ARM & HAMMER Laundry Detergents, in both powder and liquid forms, have been available nationally since the early 1980's. The Company markets these brands as value products, priced at a 15 to 20 percent discount from products identified by the Company as market leaders. In late 1996, the Company reformulated and concentrated the product. A companion product, ARM & HAMMER Liquid Laundry Detergent, is also available in regular and perfume and dye-free forms. In 1995 and again in 1998, this product was reformulated to improve its performance.

In 1992, the Company completed the national expansion of another laundry product, ARM & HAMMER Fabric Softener Sheets. This product stops static cling, and softens and freshens clothes. In 1998, the Company acquired the TOSS 'N SOFT(R) brand of dryer sheets and combined both products under the FRESH & SOFT(TM) brand name.

ARM & HAMMER Baking Soda has long been used as a dentifrice. Its mild cleansing action cleans and polishes teeth, removes plaque and leaves the mouth feeling fresh and clean. These properties have led to the development of a complete line of sodium bicarbonate-based dentifrice products which are marketed and sold nationally: ARM & HAMMER DENTAL CARE, The Baking Soda Tooth Powder; ARM & HAMMER DENTAL CARE, The Baking Soda Toothpaste; ARM & HAMMER DENTAL CARE Gel; ARM & HAMMER DENTAL CARE Tartar Control Formula; ARM & HAMMER DENTAL CARE Tartar Control Gel; ARM & HAMMER PEROXICARE, a baking soda toothpaste containing hydrogen peroxide; and Tartar Control PEROXICARE. In 1996, three new ARM & HAMMER DENTAL CARE Toothpaste line extensions were introduced nationally, ARM & HAMMER DENTAL CARE Sensitive Formula, ARM & HAMMER DENTAL CARE Extra-Whitening and ARM & HAMMER DENTAL CARE Smooth Spearmint. In early 1998, the Company introduced ARM & HAMMER DENTAL CARE Gum, a baking soda-based oral care product that is available in three flavors. In early 1999, the Company introduced ARM & HAMMER ADVANCE WHITE line of dentifrice for the whitening segment of the toothpaste market.

The Company markets and sells, ARM & HAMMER Deodorant Anti-Perspirant with Baking Soda, and ARM & HAMMER Deodorant with Baking Soda. These products are available in various scented and unscented stick, aerosol and roll-on forms, including ARM & HAMMER Deodorant with Baking Soda in a wide solid stick and a jumbo oval stick Deodorant Anti-Perspirant. In 1997, the Company launched nationally ARM & HAMMER Aerosol Deodorant Anti-Perspirant.

In 1997, the Company acquired a group of five household cleaning brands from The Dial Corporation. The brands acquired were BRILLO(R) Soap Pads and other steel wool products, PARSONS(R) and BO-PEEP(R) Ammonia, CAMEO(R) Metal Polish, RAIN DROPS(R) Water Softener and SNO BOL(R) Cleaners. During the first quarter of 1998, the Company purchased from The Dial Corporation TOSS 'N SOFT(R) Dryer Sheets. The acquisition of these brands broadens the Company's base of household cleaning products, and fit well within the Company's current sales, marketing and distribution activities.

COMPETITION

The markets for retail consumer products are highly competitive. ARM & HAMMER Baking Soda competes with generic and private label brands of grocery chains. ARM & HAMMER DENTAL CARE dentifrice products, ARM & HAMMER Carpet Deodorizer, ARM & HAMMER Deodorant Anti-Perspirant and ARM & HAMMER Deodorizing Air Freshener compete with other nationally advertised brands, generally sold by larger multi-national companies. ARM & HAMMER DENTAL CARE Gum, although an oral care product, competes with other chewing gum brands which are promoted as good for oral health.

The Company's laundry products, ARM & HAMMER Powder Laundry Detergent, ARM & HAMMER Liquid Laundry Detergent, ARM & HAMMER Super Washing Soda, and ARM & HAMMER FRESH & SOFT Dryer Sheets, all have small shares in large markets competing generally against large multi-national consumer packaged goods companies.

All of the Company's products are competitively priced and receive strong support in the form of trade and/or consumer promotion. In addition, the Company advertises certain products on national television.

DISTRIBUTION

The Company's consumer products are primarily marketed throughout the United States and Canada and sold through supermarkets, mass merchandisers and drugstores. The Company employs a sales force based regionally throughout the United States. This sales force utilizes the services of independent food brokers in each market. The Company's products are strategically located in public warehouses and either picked up by customers or delivered by independent trucking companies.

SPECIALTY PRODUCTS

PRINCIPAL PRODUCTS

The Company's specialty products business primarily consists of the manufacture, marketing and sale of sodium bicarbonate in a range of grades and granulations for use in industrial and agricultural markets. In industrial markets, sodium bicarbonate is used by other manufacturing companies as a leavening agent for commercial baked goods, as an antacid in pharmaceuticals, as a carbon dioxide release agent in fire extinguishers, and as an alkaline agent in swimming pool chemicals, and as an agent in kidney dialysis. A special grade of sodium bicarbonate, as well as sodium sesquicarbonate, is sold to the animal feed market as a feed additive for use by dairymen as a buffer, or antacid, for dairy cattle.

The Company markets and sells MEGALAC Rumen Bypass Fat, a nutritional supplement made from natural oils, which allows cows to maintain energy levels during the period of high-milk production, resulting in improved milk yields and minimal weight loss. The product and the trademark MEGALAC are licensed under a long-term license agreement from a British company, Volac Ltd.

In January 1999, the Company announced it was forming a joint venture with the Safety-Kleen Corporation called the ArmaKleen Company. This joint venture will distribute Church & Dwight's proprietary product line of aqueous cleaners along with the Company's Armex Blast Media line which is designed for the removal of a wide variety of surface coatings. During the first quarter of 1999, the Company sold the Armex blast cleaning equipment business to U.S. Filter Surface Preparation Group, Inc., a U.S. Filter Company.

The Company markets and sells ammonium bicarbonate and other specialty chemicals to food and agricultural markets in Europe through its wholly-owned British subsidiary Brotherton Speciality Products Ltd.

The Company and Occidental Petroleum Corporation are equal partners in a joint venture named Armand Products Company, which produces and markets potassium carbonate and potassium bicarbonate. Potassium chemicals are sold, among others, to the glass industry for use in TV and computer monitor screens.

During 1997, the Company acquired a 40 percent equity interest in QGN/Carbonor, a Brazilian bicarbonate/carbonate-related chemical company. The agreement includes an option for the Company to increase its interest to 75 percent by March 31, 1999.

COMPETITION

The sodium bicarbonate industry continues to be affected by competition from domestic sodium bicarbonate producers and imports. In agricultural markets, sodium bicarbonate also competes with several alternative buffer products. The competitive level is substantial as competitors employ aggressive selling techniques in the attempt to build their respective businesses. Despite this intense competition, the Company's business has remained essentially level.

The Company competes primarily on the basis of its product quality, grade availability and reliability of supply from a two-plant manufacturing system. Pricing is a major competitive factor for animal feed and other less specialized grades of sodium bicarbonate.

The addition of a combined total of 75,000 tons of potassium carbonate capacity by competitors, has intensified the competitive environment in the potassium carbonate business, as the new entrants try to gain volume. Additionally, a growing, worldwide over capacity in video glass production results in extreme pressure on all raw materials sold to that industry, including potassium carbonate.

DISTRIBUTION

The Company markets sodium bicarbonate and other chemicals to industrial and agricultural customers throughout the United States and Canada. Distribution is accomplished through regional sales offices and manufacturer's representatives augmented by the sales personnel of independent distributors throughout the country.

RAW MATERIALS AND SOURCES OF SUPPLY

The Company manufactures sodium bicarbonate for both of its consumer and industrial businesses at two of its plants located at Green River, Wyoming and Old Fort, Ohio.

The production of sodium bicarbonate requires two basic raw materials, soda ash and carbon dioxide. The primary source of soda ash used by the Company is the mineral, trona, which is found in abundance in southwestern Wyoming, near the Company's Green River plant. The Company had acquired a number of leases allowing it to extract these trona deposits. In January 1999, the Company announced it agreed to sell most of these leases to Solvay Minerals, Inc. The Company will retain adequate trona reserves to support the requirements of the sodium bicarbonate business and may acquire other leases in the future as the need arises.

The Company is party to a partnership agreement with General Chemical Corporation, which mines and processes certain trona reserves owned by each of the two companies in Wyoming. Through the partnership and related supply and services agreements, the Company obtains a substantial amount of its soda ash requirements, enabling the Company to achieve some of the economies of an integrated business capable of producing sodium bicarbonate and related products from the basic raw material. The Company also has an agreement for the supply of soda ash from another company.

The partnership agreement and other supply agreements between the Company and General Chemical terminate upon two years notice by either company. The Company believes that alternative sources of supply are available.

The Company obtains its supply of the second basic raw material, carbon dioxide, in Green River and Old Fort, under long-term supply contracts. The Company believes that its sources of carbon dioxide, and other raw and packaging materials, are adequate.

The Company presently uses light soda ash in the manufacture of its ARM & HAMMER Powder Laundry Detergent in its Syracuse, New York plant. Light soda ash is obtained under a one-year supply agreement which is automatically renewable on a year to year basis. This agreement terminates upon 90 day's written notice by either company. At the Syracuse plant and the Green River, Wyoming plant, the Company also produces laundry detergent powder employing a process utilizing raw materials readily available from a number of sources. Therefore, the supply of appropriate raw materials to manufacture this product is adequate. In January 1999, the Company announced it will concentrate all powder laundry detergent production at Green River. This is expected to be completed by late 1999.

During 1995, a liquid laundry detergent manufacturing line was constructed in the Company's Syracuse, New York Plant. This line is capable of producing virtually all of the Company's liquid laundry detergent requirements. The Company, when necessary, will utilize a contract manufacturer to meet higher demand. Prior to this, all of the Company's ARM & HAMMER Liquid Laundry Detergent was contract manufactured. The BRILLO product line and the Company's Dryer Sheets line are manufactured at the Company's London, Ohio plant, which was acquired from The Dial Corporation. ARM & HAMMER DENTAL CARE Gum, ARM & HAMMER Deodorizing Air Freshener, PARSONS(R) and BO-PEEP(R) Ammonia, CAMEO(R) Metal Polish, RAIN DROPS(R) Water Softener and SNO BOL(R) Cleaners, are contract manufactured for the Company under various agreements. Alternative sources of supply are available in case of disruption or termination of the agreements.

The main raw material used in the production of potassium carbonate is liquid potassium hydroxide. Armand Products obtains its supply of liquid potassium hydroxide under a long-term supply arrangement.

The ArmaKleen Company's industrial liquid cleaning products are contracted manufactured.

PATENTS AND TRADEMARKS

The Company's ARM & HAMMER trademark is registered with the United States Patent and Trademark Office and also with the trademark offices of many foreign countries. It has been used by the Company since the late 1800's, and is a valuable asset and important to the successful operation of the Company's business.

CUSTOMERS AND ORDER BACKLOG

A group of three consumer products customers accounted for approximately 16% of consolidated net sales in 1998 including a single customer which accounted for approximately 11%. This group of customers accounted for approximately 16% of consolidated net sales in 1997 and 14% in 1996.

The time between receipt of orders and shipment is generally short, and as a result, backlog is not significant.

RESEARCH & DEVELOPMENT

The Company's Research and Development Department is engaged in work on product development, process technology and basic research. During 1998, $16,448,000 was spent on research activities as compared to $15,841,000 in 1997 and $17,823,000 in 1996.

ENVIRONMENT

The Company's operations are subject to federal, state and local regulations governing air emissions, waste and steam discharges, and solid and hazardous waste management activities. The Company endeavors to take actions necessary to comply with such regulations. These steps include periodic environmental audits of each Company facility. The audits, conducted by an independent engineering concern with expertise in the area of environmental compliance, include site visits at each location, as well as a review of documentary information, to determine compliance with such federal, state and local regulations. The Company believes that its compliance with existing environmental regulations will not have any material adverse effect with regard to the Company's capital expenditures, earnings or competitive position. No material capital expenditures relating to environmental control are presently anticipated.

EMPLOYEES

At December 31, 1998 , the Company had 1,127 employees. The Company is party to a labor contract with the United Steelworkers of America covering approximately one hundred hourly employees at its Syracuse, New York plant which contract continues until June 30, 2001; and, with the United Industrial Workers of North America at its London, Ohio plant which contract continues until October 1, 1999. The Company believes that its relations with both its union and non-union employees are satisfactory.

CLASSES OF SIMILAR PRODUCTS

The Company's operations constitute two operating segments. The table set forth below shows the percentage of the Company's net sales contributed by each group of similar products marketed by the Company during the period from January 1, 1994 through December 31, 1998.

	% of Net Sales				
	1998	1997	1996	1995	1994
Consumer Products	82	80	79	78	80
Specialty Products	18	20	21	22	20

ITEM 2. PROPERTIES.

The Company's executive offices and research and development facilities are owned by the Company, subject to a New Jersey Industrial Revenue Bond, and are located on 22 acres of land in Princeton, New Jersey, with approximately 72,000 square feet of office and laboratory space. In addition, the Company leases space in two buildings adjacent to this facility which contain approximately 90,000 square feet of office space. The Company also leases regional sales offices in various locations throughout the United States.

At Syracuse, New York the Company owns a 16 acre site and plant which includes a group of connected buildings containing approximately 270,000 square feet of floor space. This plant is used primarily for the manufacture and packaging of laundry detergents and cat litter. As previously mentioned, the Company announced it will concentrate all powder laundry detergent production at Green River. This will be completed by late 1999.

The Company's plant in Green River, Wyoming is located on 112 acres of land owned by the Company. The plant and related facilities contain approximately 273,000 square feet of floor space. The plant was constructed in 1968 and has since been expanded to a current capacity of 200,000 tons of sodium bicarbonate per year. This plant also manufactures powder laundry detergent and cat litter.

The Company's plant in Old Fort, Ohio is located on 75 acres of land owned by the Company. The plant and related facilities contain approximately 208,000 square feet of floor space. The plant was completed in 1980 and has since been expanded to a capacity of 240,000 tons of sodium bicarbonate per year.

In July 1998, the Company purchased from the Fluid Packaging Co., Inc., a 250,000 square foot manufacturing facility set on approximately 46 acres in Lakewood, New Jersey. The plant currently manufactures and packages the ARM & HAMMER Deodorant Anti-Perspirant product line and as noted below will be manufacturing dentifrice products by late 1999.

The Company owns an operating facility in Greenville, South Carolina, for the manufacturing and packaging of its dentifrice products in a 117,000 square foot building. The facility is located on 6 acres of land owned by the Company. The Company announced in January 1999 it was planning to close the facility and move the manufacturing and packaging equipment to its Lakewood, New Jersey, plant.

During 1997, the Company acquired from The Dial Corporation a manufacturing facility in London, Ohio. This facility contains approximately 141,000 square feet of floor space and is located on 6 acres of land. The facility manufactures and packages BRILLO Soap Pads and ARM & HAMMER FRESH & SOFT Dryer Sheets.

In Ontario, Canada, the Company owns a 26,000 square foot distribution center which is used for the purpose of warehousing and distribution of products sold into Canada. The principal office of the Canadian subsidiary is located in leased offices in Toronto.

Brotherton Speciality Products Ltd. owns and operates a 71,000 square foot manufacturing facility in Wakefield, England on about 7 acres of land.

In December 1998, the Company closed its Venezuela subsidiary, Industrias Bicarbon De Venezuela S.A., after determining that marketing conditions could no longer support it.

The Armand Products partnership, in which the Company has a 50% interest, owns and operates a potassium carbonate manufacturing plant located in Muscle Shoals, Alabama. This facility contains approximately 53,000 square feet of space and has a capacity of 103,000 tons of potassium carbonate per year.

The Company believes that its manufacturing, distribution and office facilities are adequate for the conduct of its business at the present time.

ITEM 3. LEGAL PROCEEDINGS.

The Company is subject to claims and litigation in the ordinary course of its business such as product liability claims, employment related matters and general commercial disputes. The Company does not believe that any pending claim or litigation will have a material adverse effect on the business.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of the Company's security holders during the last quarter of the year ended December 31, 1998.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's common stock is traded on the New York Stock Exchange (symbol: "CHD"). Refer to Page 18 of the Annual Report which is incorporated herein by reference. During 1998, there were no sales of unregistered securities.

ITEM 6. SELECTED FINANCIAL DATA.

Refer to Page 13 of the Annual Report. The portion of the table on page 13 which includes information with respect to the years 1994 through 1998 is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

Refer to Financial Review Pages 14-18 of the Annual Report which are incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

(Not applicable)

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Refer to Pages 19-34 of the Annual Report which are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information required by this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A which will be filed with the Commission not later than 120 days after the close of the fiscal year ended December 31, 1998.

ITEM 11. EXECUTIVE COMPENSATION.

Information required by this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A which will be filed with the Commission not later than 120 days after the close of the fiscal year ended December 31, 1998.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

Information required by this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A which will be filed with the Commission not later than 120 days after the close of the fiscal year ended December 31, 1998.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information required by this item is incorporated by reference to the Company's definitive proxy statement pursuant to Regulation 14A which will be filed with the Commission not later than 120 days after the close of the fiscal year ended December 31, 1998.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K.

(a)1. FINANCIAL STATEMENTS

The following financial statements are incorporated herein by reference to the Annual Report:

	Page of Annual Report
Consolidated Statements of Income for each of the three years in the period ended December 31, 1998	19
Consolidated Balance Sheets as of December 31, 1998 and 1997	20
Consolidated Statements of Cash Flow for each of the three years in the period ended December 31, 1998	21
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 1998	22
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(a)2. FINANCIAL STATEMENT SCHEDULE

Included in Part IV of this report:

Independent Auditors' Report on Schedule

For each of the three years in the period ended December 31, 1998:

Schedule II - Valuation and Qualifying Accounts

Other schedules are omitted because of the absence of conditions under which they are required or because the required information is given in the financial statements or notes thereto.

(a)3. EXHIBITS

(3) (a) Restated Certificate of Incorporation including amendments has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1989, (Commission file no. 1-10585) which is incorporated by reference.

(b) By-Laws have previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1985, (Commission file no. 1-10585) which is incorporated herein by reference.

(4) The Company is party to a Loan Agreement dated May 31, 1991 with the New Jersey Economic Development Authority. The principal amount of the loan thereunder is less than ten percent of the Company's consolidated assets. The Company will furnish a copy of said agreement to the Commission upon request.

(10) (a) Supply Agreement between Church & Dwight Co., Inc. and ALCAD Partnership for supply of soda ash. This document is not attached hereto but has been separately submitted to the Securities and Exchange Commission which has approved the Company's application under rule 24b-2 for privileged and confidential treatment thereof.

COMPENSATION PLANS AND ARRANGEMENTS

(b) Indemnification Agreement for directors, and certain officers, employees, agents and fiduciaries, which was approved by stockholders at the Annual Meeting of Stockholders on May 7, 1987, and was included in the Company's definitive Proxy Statement dated April 6, 1987, (Commission file no. 1-10585) which is incorporated herein by reference.

(c) Stockholder Rights Agreement dated April 27, 1989, between Church & Dwight Co., Inc. and Chase Bank, formerly Chemical Bank, formerly Manufacturers Hanover Trust Company, has been previously filed on April 28, 1989 with the Securities and Exchange Commission on the Company's Form 8-K, (Commission file no. 1-10585) which is incorporated herein by reference.

(d) The Company's 1983 Stock Option Plan, which was approved by stockholders at the Annual Meeting of Stockholders on May 5, 1983, and was included in the Company's definitive

Proxy Statement dated April 4, 1983, (Commission file no. 1-10585) which is incorporated herein by reference.

(e) Restricted Stock Plan for Directors which was approved by stockholders at the Annual Meeting of Stockholders on May 7, 1987, and was included in the Company's definitive Proxy Statement dated April 6, 1987, (Commission file no. 1-10585) which is incorporated herein by reference.

(f) Church & Dwight Co., Inc. Executive Deferred Compensation Plan, effective as of June 1, 1997, (Commission file no. 1-10585) which is incorporated herein by reference.

(g) Deferred Compensation Plan for Directors has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1987, (Commission file no. 1-10585) which is incorporated herein by reference.

(h) Employment Service Agreement with Senior Management of Church & Dwight Co., Inc. has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1990, (Commission file no. 1-10585) which is incorporated herein by reference.

(i) The Stock Option Plan for Directors which was approved by stockholders in May 1991, authorized the granting of options to non-employee directors. The full text of the Church & Dwight Co.,Inc. Stock Option Plan for Directors was contained in the definitive Proxy Statement filed with the Commission on April 2, 1991, (Commission file no. 1-10585) which is incorporated herein by reference.

(j) A description of the Company's Incentive Compensation Plan has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1992, (Commission file no. 1-10585) which is incorporated herein by reference.

(k) Church & Dwight Co., Inc. Executive Stock Purchase Plan has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1993, (Commission file no. 1-10585) which is incorporated herein by reference.

(l) The 1994 Incentive Stock Option Plan has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1994, (Commission file no. 1-10585) which is incorporated herein by reference.

(m) The Compensation Plan for Directors, which was approved by stockholders at the Annual Meeting of Stockholders on May 9, 1996, and was included in the Company's definitive Proxy Statement filed with the Commission on April 1, 1996, (Commission file no. 1-10585) which is incorporated herein by reference.

*(11) Computation of earnings per share.

*(13) 1998 Annual Report to Stockholders. Except for portions of said Annual Report expressly incorporated by reference herein, said Annual Report

is not deemed "filed herewith."

*(21) List of the Company's subsidiaries.

*(23) Consent of Independent Auditor.

*(27) Financial Data Schedule.

(b) REPORTS ON FORM 8-K

No reports on Form 8-K were filed during the fourth quarter of the year ended December 31,1998.

Copies of exhibits will be made available upon request and for a reasonable charge.

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*filed herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, on February 25, 1999.

CHURCH & DWIGHT CO., INC.

By: /s/ Robert A. Davies, III
Robert A. Davies, III
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Robert A. Davies, III Robert A. Davies, III	President and Chief Executive Officer	February 25, 1999
/s/ Zvi Eiref Zvi Eiref	Vice President Finance and Chief Financial Officer (Principal Financial Officer)	February 25, 1999
/s/ Gary P. Halker Gary P. Halker	Vice President, Controller and Chief Information Officer (Principal Accounting Officer)	February 25, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ Cyril C. Baldwin, Jr - ------------------------------ Cyril C. Baldwin, Jr	Director	February 25, 1999
/s/ William R. Becklean - ------------------------------ William R. Becklean	Director	February 25, 1999
/s/ Robert H. Beeby - ------------------------------ Robert H. Beeby	Director	February 25, 1999
/s/ Robert A. Davies, III - ------------------------------ Robert A. Davies, III	Director	February 25, 1999
/s/ Rosina B. Dixon, M.D - ------------------------------ Rosina B. Dixon, M.D	Director	February 25, 1999
/s/ J. Richard Leaman, Jr - ------------------------------ J. Richard Leaman, Jr	Director	February 25, 1999
/s/ Robert D. LeBlanc - ------------------------------ Robert D. LeBlanc	Director	February 25, 1999
/s/ John D. Leggett, III, Ph.D - ------------------------------ John D. Leggett, III, Ph.D	Director	February 25, 1999
/s/ John F. Maypole - ------------------------------ John F. Maypole	Director	February 25, 1999
/s/ Robert A. McCabe - ------------------------------ Robert A. McCabe	Director	February 25, 1999
/s/ Dwight C. Minton - ------------------------------ Dwight C. Minton	Chairman	February 25, 1999
/s/ Dean P. Phypers - ------------------------------ Dean P. Phypers	Director	February 25, 1999
/s/ John O. Whitney - ------------------------------ John O. Whitney	Director	February 25, 1999

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Stockholders of
Church & Dwight Co., Inc.
Princeton, New Jersey

We have audited the consolidated financial statements of Church & Dwight Co., Inc. and subsidiaries as of December 31, 1998 and 1997, and for each of the three years in the period ended December 31, 1998, and have issued our report thereon dated January 27, 1999 (which expresses an unqualified opinion and includes an explanatory paragraph relating to the Company changing its method of accounting for internal-use software development costs as described in Note 1). Such consolidated financial statements and report are included in your 1998 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the consolidated financial statement schedule of Church & Dwight Co., Inc. and subsidiaries, listed in Item 14. This consolidated financial statement schedule is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, such consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

DELOITTE & TOUCHE LLP
Parsippany, New Jersey
January 27, 1999

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	1998	1997	1996
ALLOWANCE FOR DOUBTFUL ACCOUNTS:			
Balance at beginning of year	$1,532	$1,478	$1,304
Additions:			
Charged to expenses and costs	435	200	401
Deductions:			
Amounts written off	387	145	227
Foreign currency translation adjustments	1	1	--
	388	146	227
BALANCE AT END OF YEAR	$1,579	$1,532	$1,478

EXHIBIT INDEX

(3) (a) Restated Certificate of Incorporation including amendments has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1989, (Commission file no.

1-10585) which is incorporated by reference.

(b) By-Laws have previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1985, (Commission file no. 1-10585) which is incorporated herein by reference.

(4) The Company is party to a Loan Agreement dated May 31, 1991 with the New Jersey Economic Development Authority. The principal amount of the loan thereunder is less than ten percent of the Company's consolidated assets. The Company will furnish a copy of said agreement to the Commission upon request.

(10) (a) Supply Agreement between Church & Dwight Co., Inc. and ALCAD Partnership for supply of soda ash. This document is not attached hereto but has been separately submitted to the Securities and Exchange Commission which has approved the Company's application under rule 24b-2 for privileged and confidential treatment thereof.

COMPENSATION PLANS AND ARRANGEMENTS

(b) Indemnification Agreement for directors, and certain officers, employees, agents and fiduciaries, which was approved by stockholders at the Annual Meeting of Stockholders on May 7, 1987, and was included in the Company's definitive Proxy Statement dated April 6, 1987, (Commission file no. 1-10585) which is incorporated herein by reference.

(c) Stockholder Rights Agreement dated April 27, 1989, between Church & Dwight Co., Inc. and Chase Bank, formerly Chemical Bank, formerly Manufacturers Hanover Trust Company, has been previously filed on April 28, 1989 with the Securities and Exchange Commission on the Company's Form 8-K, (Commission file no. 1-10585) which is incorporated herein by reference.

(d) The Company's 1983 Stock Option Plan, which was approved by stockholders at the Annual Meeting of Stockholders on May 5, 1983, and was included in the Company's definitive Proxy Statement dated April 4, 1983, (Commission file no. 1-10585) which is incorporated herein by reference.

(e) Restricted Stock Plan for Directors which was approved by stockholders at the Annual Meeting of Stockholders on May 7, 1987, and was included in the Company's definitive Proxy Statement dated April 6, 1987, (Commission file no. 1-10585) which is incorporated herein by reference.

(f) Church & Dwight Co., Inc. Executive Deferred Compensation Plan, effective as of June 1, 1997, (Commission file no. 1-10585) which is incorporated herein by reference.

(g) Deferred Compensation Plan for Directors has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1987, (Commission file no. 1-10585) which is incorporated herein by reference.

(h) Employment Service Agreement with Senior Management of Church & Dwight Co., Inc. has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1990, (Commission file no. 1-10585) which is incorporated herein by reference.

EXHIBIT INDEX (CONTINUED)

(i) The Stock Option Plan for Directors which was approved by stockholders in May 1991, authorized the granting of options to non-employee directors. The full text of the Church & Dwight Co.,Inc. Stock Option Plan for Directors was contained in the definitive Proxy Statement filed with the Commission on April 2, 1991, (Commission file no. 1-10585) which is incorporated herein by reference.

(j) A description of the Company's Incentive Compensation Plan has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1992, (Commission file no. 1-10585) which is incorporated herein by reference.

(k) Church & Dwight Co., Inc. Executive Stock Purchase Plan has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1993, (Commission file no. 1-10585) which is incorporated herein by reference.

(l) The 1994 Incentive Stock Option Plan has previously been filed with the Securities and Exchange Commission on the Company's Form 10-K for the year ended December 31, 1994, (Commission file no. 1-10585) which is incorporated herein by reference.

(m) The Compensation Plan for Directors, which was approved by stockholders at the Annual Meeting of Stockholders on May 9, 1996, and was included in the Company's definitive Proxy Statement filed with the Commission on April 1, 1996, (Commission file no. 1-10585) which is incorporated herein by reference.

*(11) Computation of earnings per share.

*(13) 1998 Annual Report to Stockholders. Except for portions of said Annual Report expressly incorporated by reference herein, said Annual Report is not deemed "filed herewith."

*(21) List of the Company's subsidiaries.

*(23) Consent of Independent Auditor.

*(27) Financial Data Schedule.

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*filed herewith

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
EXHIBIT 11 - COMPUTATION OF EARNINGS PER SHARE
(In thousands except per share amounts)

	1998	1997	1996
BASIC:			
Net Income	$30,289	$24,506	$21,228
Weighted average shares outstanding	19,367	19,461	19,534
Basic earnings per share	$ 1.56	$ 1.26	$ 1.09
DILUTED:			
Net Income	$30,289	$24,506	$21,228
Weighted average shares outstanding	19,367	19,461	19,534
Incremental shares under stock option plans	658	510	163
Adjusted weighted average shares outstanding	20,025	19,971	19,697
Diluted earnings per share	$ 1.51	$ 1.23	$ 1.08

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[LOGO](R) CHURCH & DWIGHT CO., INC.

ANNUAL REPORT 1998

Our sales rose a healthy 19 percent in 1998...
in 1999, our focus shifts to margin improvement

[GRAPHIC OMITTED]

2

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (Dollars in millions, except per share data)	1998	1997	Change
SALES	$ 684.4	$ 574.9	+19%
INCOME FROM OPERATIONS	$ 42.5	$ 30.6	+39%
NET INCOME	$ 30.3	$ 24.5	+24%
NET INCOME PER SHARE - DILUTED	$ 1.51	$ 1.23	+23%
DIVIDENDS PER SHARE	$ 0.48	$ 0.46	+ 4%

CHURCH & DWIGHT CO., INC., FOUNDED IN 1846, IS THE WORLD'S LEADING PRODUCER OF SODIUM BICARBONATE, POPULARLY KNOWN AS BAKING SODA, A NATURAL PRODUCT WHICH CLEANS, DEODORIZES, LEAVENS AND BUFFERS. THE COMPANY'S FAMOUS ARM & HAMMER(R) BRAND IS ONE OF THE NATION'S MOST TRUSTED TRADEMARKS FOR A VARIETY OF HOUSEHOLD AND PERSONAL CARE USES. TODAY, THE CHURCH & DWIGHT PRODUCT LINE IS COMPRISED OF A BROAD RANGE OF CONSUMER AND SPECIALTY PRODUCTS DEVELOPED FROM ITS BASE OF BICARBONATE AND RELATED TECHNOLOGIES AND THE HERITAGE OF THE ARM & HAMMER BRAND.

CONSUMER PRODUCTS CONSIST OF ORAL AND PERSONAL CARE, LAUNDRY AND HOUSEHOLD CLEANING, AND DEODORIZING PRODUCTS. MOST CONSUMER PRODUCTS ARE SOLD UNDER THE ARM & HAMMER BRAND NAME AND DERIVATIVE TRADEMARKS SUCH AS ARM & HAMMER DENTAL CARE(R), ARM & HAMMER SUPER SCOOP(TM) AND ARM & HAMMER FRESH `N SOFT(TM). OTHER BRANDS INCLUDE BRILLO(R), SNO BOL(R) AND PARSONS'(R).

SPECIALTY PRODUCTS ENCOMPASS SPECIALTY CHEMICALS, ANIMAL NUTRITION, AND SPECIALTY INDUSTRIAL CLEANING PRODUCTS. IN ADDITION TO ARM & HAMMER, SPECIALTY PRODUCT TRADEMARKS INCLUDE MEGALAC(R), ARMAKLEEN(R) AND ARMEX(R).

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[PHOTO OMITTED]

ROBERT A. DAVIES, III
PRESIDENT & CHIEF EXECUTIVE OFFICER

[PHOTO OMITTED]

DWIGHT C. MINTON

CHAIRMAN OF THE BOARD

Dear Fellow Stockholder:

WE ARE PLEASED TO REPORT THAT 1998 WAS A POSITIVE YEAR FOR THE COMPANY WITH SOLID GROWTH IN BOTH SALES AND EARNINGS. SALES ROSE A HEALTHY 19 PERCENT TO $684.4 MILLION, FROM $574.9 MILLION IN THE PREVIOUS YEAR. SALES OF CONSUMER PRODUCTS SURGED 22 PERCENT TO $560.2 MILLION, WHILE SPECIALTY PRODUCTS GREW 7 PERCENT TO $124.2 MILLION.

THE COMBINATION OF STRONG SALES AND A MODERATE INCREASE IN PROFIT MARGINS BOOSTED OPERATING INCOME 39 PERCENT FROM $30.6 MILLION TO $42.5 MILLION. THIS INCLUDES A ONE-TIME SALE OF R & D TECHNOLOGY FOR $3.5 MILLION AND A $2.8 MILLION PLANT SHUTDOWN CHARGE. NET INCOME ADVANCED 24 PERCENT TO $30.3 MILLION, EQUIVALENT TO DILUTED EARNINGS OF $1.51 PER SHARE, COMPARED TO $24.5 MILLION OR $1.23 PER SHARE LAST YEAR.

THE ROBUST SALES GROWTH REFLECTED THE INTRODUCTION OF TWO MAJOR CONSUMER PRODUCTS, ARM & HAMMER SUPER SCOOP, THE BAKING SODA CLUMPING LITTER IN LATE 1997 AND ARM & HAMMER DENTAL CARE, THE BAKING SODA GUM IN EARLY 1998, AS WELL AS THE ACQUISITION OF BRILLO SOAP PADS AND CERTAIN OTHER BRANDS IN LATE 1997. IN THE ESTABLISHED BUSINESSES, HIGHER CONSUMER SALES FOR LAUNDRY AND DEODORIZING PRODUCTS WERE PARTIALLY OFFSET BY LOWER SALES FOR DENTIFRICES; ANIMAL NUTRITION PRODUCTS LED SALES GROWTH OF SPECIALTY PRODUCTS.

FINANCIAL OBJECTIVES AND SALES GROWTH INITIATIVES

FINANCIAL OBJECTIVES

In previous stockholder letters, we described two key financial objectives which we believe will produce outstanding rewards for stockholders: first, to achieve annual sales growth in the high single-digit or low double-digit range; second, to raise our operating profit margin to a 10 percent level.

The Company has excellent growth opportunities through internal product development, which means that our capital needs are lower than if our growth were dependent on acquisitions. This efficient use of capital, combined with the growth and margin goals, should result in a return on operating capital well in excess of 15 percent after tax, a figure which compares favorably with that of most of our leading competitors.

In 1998, we substantially exceeded our revenue growth objective. We also made strides towards meeting the operating margin goal, and we will be concentrating on this aspect of the business even more closely in 1999.

SALES GROWTH INITIATIVES Our two major consumer product introductions, ARM & HAMMER SUPER SCOOP Cat Litter and ARM & HAMMER DENTAL CARE Gum, both enjoyed high levels of trade and consumer acceptance. SUPER SCOOP, which addresses the primary consumer need of odor control, has recently exceeded a 10 percent share of the clumping litter market in food stores. ARM & HAMMER DENTAL CARE Gum, our pioneering oral care product, has reached broad national distribution and seems set to become an important addition to our product line.

BRILLO Soap Pads and other products acquired in late 1997 had a stable year as we concentrated on manufacturing and quality improvements. We are now introducing new longer lasting BRILLO Soap Pads, and expanding distribution to West Coast markets where the product was not previously sold. Early in 1998, we also acquired the TOSS `N SOFT(R) Fabric Softener Dryer Sheet brand, together with a production line located at our London, Ohio, facility. The brand was combined with our existing dryer sheet business, and relaunched in First Quarter

1999 as ARM & HAMMER FRESH `N SOFT Dryer Sheets.

Among the established consumer brands, ARM & HAMMER Liquid Laundry Detergent benefited from a midyear reformulation using proprietary technology to improve the product's performance. In late 1998 and early 1999, we also introduced two major deodorizing product line extensions: ARM & HAMMER Carpet & Room Deodorizer LASTING SCENT and ARM & HAMMER Baking Soda FRIDGE-N-FREEZER FRESHENER(TM).

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Another major initiative in mid-1998 was the $9 million acquisition of the plant in Lakewood, New Jersey, which manufactures our deodorants and anti-perspirants. This 250,000 square foot facility, with a flexible filling operation and several packaging lines, adds significant new capacity for other personal care products.

In the toothpaste category, we suffered a major setback as larger competitors introduced line extensions supported by record high levels of advertising and promotion spending. To strengthen our position in the important whitening segment of the category, we are currently introducing ARM & HAMMER ADVANCE WHITE(TM), a new product line based on the whitening power of baking soda in combination with other ingredients, providing increased consumer benefits.

In Specialty Products, the sales of animal nutrition products continued to grow as we expanded the markets for rumen buffers and MEGALAC energy supplements. In addition to these initiatives, we engaged in two important joint ventures which are more fully described later in this report: first, an alliance with Agway, Inc. and Compton & Associates to develop enhanced feeds made from natural ingredients; second, an extension of our alliance with Safety-Kleen Corp. to build a specialty cleaning products business based on our proprietary aqueous cleaning technology and their sales and distribution organization. Both ventures involve the development of new markets, and it will be some time before we know how significant their contribution will be to the business.

MARGIN IMPROVEMENT INITIATIVES With 1998 sales growth clearly exceeding our target, our focus in 1999 shifts to margins. The 1998 operating margin level of 7.2 percent, adjusted for income from the Armand Products joint venture and excluding the plant shutdown cost, was about 1 percent higher than the margin for the previous year but still below our 10 percent objective. Heavy marketing spending on the two simultaneous new product launches contributed to the shortfall.

In 1998, we undertook a number of margin improvement programs, most of which were completed late in the year and are expected to help our margin structure in 1999:

- Introduction of a superior and higher-margin reformulation of our laundry detergent liquid

- Investment in more efficient manufacturing capacity for SUPER SCOOP Cat Litter and BRILLO Soap Pads

- Modernization of our Green River, Wyoming, sodium bicarbonate plant providing better availability of specialty grades at lower cost

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- Closing of our sodium bicarbonate plant in Venezuela after determining marketing conditions could not support it. This facility had 1998 sales of $2.3 million and was unprofitable.

- Completion of a two-year $11 million overhaul of our information systems with the installation of a new logistics system and a new enterprise software package. Further work on the development of logistics and promotion management systems will continue during the year.

Early in 1999, we announced plans for additional cost reduction initiatives affecting both Consumer and Specialty Products:

- The transfer of toothpaste production to our recently acquired Lakewood, New Jersey, facility from our Greenville, South Carolina, plant which will close most likely in late 1999

- A $6 million project to modernize and upgrade our laundry detergent plant at Green River, Wyoming. On completion, most likely in late 1999, all powder laundry detergent production will move to Green River, ending production at the Syracuse, New York, facility. The Syracuse plant will continue to manufacture liquid laundry detergent and certain other products.

- The sale of the equipment portion of ARMEX Cleaning and Coating Removal Systems for approximately $1.5 million, which is slightly more than book value. The business had 1998 sales of $1.9 million and was unprofitable.

- The sale of most of our trona mineral reserves in Wyoming, which results in a gain of approximately $10 million. The Company retains adequate trona reserves to support the requirements of our sodium bicarbonate business and may acquire other reserves in the future as the need arises.

- The joint venture with Safety-Kleen, which will enable us to rationalize our selling and distribution costs for the Specialty Cleaning business

These 1999 cost reduction initiatives alone have the potential to generate savings of approximately $2 million this year and even higher benefits in succeeding years. We also expect these moves to generate a small one-time net gain for the year; this represents the gain from the sale of the trona reserves in the First Quarter, to be partially offset in the Second Half by plant shutdown, relocation and other costs.

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OUTLOOK

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OUTLOOK As to profit margins, we expect meaningful margin improvement in 1999 resulting from our cost reduction programs. Because of continuing investment and the timing of some of our initiatives, we are not likely to reach the 10 percent goal in 1999, but we believe the Company is definitely on track to meet this long-term objective.

Our strategy for 1999 is to expand the product line through major line extensions and improvements to existing products. There is also the potential for a major new product launch in late 1999 or early 2000. While our overall sales growth will not match the exceptional growth rate for 1998, our marketing strategies should provide good momentum for the year.

Sincerely,

/s/ R. A. Davies, III

R. A. Davies, III
President and Chief Executive Officer
January 27, 1999

THE COMPANY'S BUSINESS IS ORGANIZED INTO TWO SEGMENTS, CONSUMER PRODUCTS AND SPECIALTY PRODUCTS. EACH SEGMENT, COMPRISED OF THREE PRODUCT LINES, SHARES COMMON SERVICES AND IS MANAGED AS A SINGLE BUSINESS UNIT.

PRODUCT CHART

CONSUMER PRODUCTS

ORAL AND PERSONAL CARE PRODUCTS

ARM & HAMMER DENTAL CARE
Toothpaste

PEROXICARE(R) Toothpaste

ARM & HAMMER ADVANCE WHITE
Toothpaste

ARM & HAMMER DENTAL CARE Gum

ARM & HAMMER
Deodorant Anti-Perspirant

DEODORIZING PRODUCTS

ARM & HAMMER Baking Soda

ARM & HAMMER
Carpet & Room Deodorizer

ARM & HAMMER
Deodorizing Air Freshener

ARM & HAMMER SUPER SCOOP
Clumping Litter

ARM & HAMMER
Cat Litter Deodorizer

LAUNDRY AND HOUSEHOLD CLEANERS

ARM & HAMMER
Powder Laundry Detergent

ARM & HAMMER
Liquid Laundry Detergent

ARM & HAMMER Washing Soda

ARM & HAMMER FRESH `N SOFT
Dryer Sheets

BRILLO Soap Pads

SNO BOL Toilet Bowl Cleaner
PARSONS' Ammonia
CAMEO(R) Metal Cleaner

SPECIALTY PRODUCTS

SPECIALTY CHEMICALS

ARM & HAMMER
Sodium Bicarbonate

ARM & HAMMER
Ammonium Bicarbonate

ARMAND(R) Potassium Carbonate

ANIMAL NUTRITION

ARM & HAMMER
Feed Grade Sodium Bicarbonate

MEGALAC Rumen Bypass Fat

SQ-810(R) Rumen Buffer

SPECIALTY CLEANERS

ARMEX Blast Media

ARMAKLEEN Aqueous Cleaner

CONSUMER PRODUCTS

ORAL AND PERSONAL CARE PRODUCTS

ARM & HAMMER DENTAL CARE GUM

THE FIRST GUM SOLD IN THE TOOTHPASTE AISLE IS GREAT-TASTING AND... CLINICALLY PROVEN TO REDUCE DENTAL PLAQUE UP TO 25 PERCENT AFTER FOUR WEEKS OF DAILY CHEWING.

[GRAPHIC OMITTED]

ARM & HAMMER ADVANCE WHITE TOOTHPASTE

WHITER TEETH WITH ONE TUBE! A BREAKTHROUGH BAKING SODA DENTIFRICE PENETRATES TINIEST CREVICES TO CLEAN AWAY PLAQUE AND DEEP STAIN... PACKAGED WITH A SHADE GUIDE TO PROVE IT.

[GRAPHIC OMITTED]

ARM & HAMMER ADVANCED DEODORANCY

SLEEK BLACK-CAPPED APPLICATORS DISTINGUISH ADVANCED DEODORANCY, A NEW PRODUCT COMBINING LONGER LASTING SCENTS WITH BAKING SODA'S ABILITY TO ABSORB ODOR INSTEAD OF COVERING IT UP.

[GRAPHIC OMITTED]

CONSUMER PRODUCTS

DEODORIZING PRODUCTS

ARM & HAMMER SUPER SCOOP CAT LITTER

GREAT MEWS FOR THE LITTER BOX! BAKING SODA, THE WORLD'S MOST PROVEN DEODORIZER, PAIRS WITH A POWERFUL HARD-AND-FAST CLUMPING SYSTEM TO LOCK IN ODORS BEFORE THEY ESCAPE INTO THE HOME.

[GRAPHIC OMITTED]

ARM & HAMMER BAKING SODA

A REDESIGNED COOL-BLUE FRIDGE-N-FREEZER FRESHENER DOUBLES BAKING SODA EXPOSURE TO ABSORB ODORS AND KEEP FOOD FRESH. ONCE EASY-TEAR PANELS ARE REMOVED, FLOW-THROUGH CLOTH FILTERS PREVENT SPILLAGE.

[GRAPHIC OMITTED]

ARM & HAMMER CARPET & ROOM DEODORIZER

THE INNOVATIVE LASTING SCENT LINE, WITH TWO HIGH-QUALITY FLORAL FRAGRANCES, HELPED RESTORE THE BRAND TO ITS RANK OF NUMBER 1 CONSUMER PREFERENCE IN THE CATEGORY.

[GRAPHIC OMITTED]

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CONSUMER PRODUCTS

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LAUNDRY AND HOUSEHOLD CLEANERS

ARM & HAMMER LIQUID LAUNDRY DETERGENT

THE POPULAR NEW 200-OUNCE JUMBO-SIZE BOTTLE OFFERS A CHOICE OF TWO SIGNIFICANTLY IMPROVED LAUNDRY FORMULATIONS.

[GRAPHIC OMITTED]

BRILLO SOAP PADS

NEW BRILLO STEEL WOOL SOAP PADS ARE 60 PERCENT STRONGER, LOADED WITH SOAP, AND LONGER LASTING.

[GRAPHIC OMITTED]

ARM & HAMMER FRESH 'N SOFT DRYER SHEETS

BRAND-NEW! THIS SUPERIOR PRODUCT FOR CONTROLLING STATIC CLING REPLACES TWO ESTABLISHED FABRIC SOFTENER BRANDS, ARM & HAMMER AND TOSS 'N SOFT.

[GRAPHIC OMITTED]

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SPECIALTY PRODUCTS

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SPECIALTY CHEMICALS

ARM & HAMMER SODIUM BICARBONATE

RECOGNIZED WORLDWIDE FOR THE PUREST SODIUM BICARBONATE FOR USE IN KIDNEY DIALYSIS TREATMENTS, THE ARM & HAMMER BRAND ENJOYS A UNIQUE ALLIANCE WITH MEDICAL EXPERTS, PROVIDING TRAINING AND HEALTHCARE INFORMATION TO BOTH PROFESSIONALS AND PATIENTS.

[GRAPHIC OMITTED]

ANIMAL NUTRITION

MEGALAC RUMEN BYPASS FAT

DECADES OF ANIMAL NUTRITION RESEARCH HAVE LED TO SIGNIFICANT BREAKTHROUGHS IN IMPROVING MILK PRODUCTION, SUCH AS MEGALAC RUMEN BYPASS FAT AND OTHER VALUE-ADDED PRODUCTS. EXPERT TECHNICAL ADVICE AND EDUCATIONAL MATERIALS ARE ONLY A PHONE CALL AWAY.

[GRAPHIC OMITTED]

SPECIALTY CLEANERS

ARMAKLEEN LIQUID AQUEOUS CLEANER

A STRENGTHENED JOINT VENTURE WITH SAFETY-KLEEN CORP., A WORLD LEADER IN INDUSTRIAL CLEANING, PARTNERS THEIR EXCELLENT SALES ORGANIZATION WITH OUR PROPRIETARY AQUEOUS CLEANING TECHNOLOGY TO BUILD AN ENVIRONMENTALLY SUPERIOR SPECIALTY CLEANING BUSINESS, INCLUDING AQUAWORKS(TM) AND ARMAKLEEN LIQUID.

[GRAPHIC OMITTED]

PRODUCT REVIEW

ORAL AND PERSONAL CARE PRODUCTS Our oral care innovation of the year was the national introduction of ARM & HAMMER DENTAL CARE, The Baking Soda Gum(TM), the first gum sold in the toothpaste aisle and a companion product to ARM & HAMMER DENTAL CARE toothpastes. Pioneering a new oral care category, the baking soda-based sugar-free gum is clinically proven to reduce plaque up to 25 percent after four weeks of daily chewing, and keeps teeth white and mouth fresh between brushings. Reaching full national distribution in Second Quarter 1998, the premium-priced gum, available in three flavors in 12-piece sleeves and 36-piece multi-packs, is sold in food, drug, mass and, since early 1999, in convenience stores. The new product launch was supported by a fully integrated marketing program which began with a professional dental campaign, followed by extensive consumer sampling, coupons and national television advertising. Our results to date are encouraging, and this new product materially strengthens our oral care strategy.

Competition in the toothpaste category was extremely intense, with heavy marketing expenditures and new line extensions by major competitors eroding the market shares of ARM & HAMMER DENTAL CARE and other existing brands.

The foundation for ARM & HAMMER DENTAL CARE toothpaste strategy is Serious Oral Care. New clinical studies, presented in June 1998 at a symposium at Tufts University School of Dental Medicine, confirm that our patented high-content baking soda formulations clean away plaque, reduce deep tooth stains and leave teeth whiter than regular toothpastes. A major television advertising campaign presented this new evidence to consumers in Second Half 1998.

To strengthen our position in the important and rapidly growing whitening segment of the toothpaste market, we introduced in late 1998 ARM & HAMMER ADVANCE WHITE, based on baking soda's natural whitening power in combination with other ingredients. This premium-priced line, available in three forms... baking soda and peroxide, baking soda plus Tartar Control and baking soda plus Gel, is packaged with a Shade Guide to help consumers see the gradual change in tooth color. A dramatic television commercial incorporating the clinical copy points, ends with the tagline, "Whiter teeth with just one tube, guaranteed!" To regain ground lost in category position, we will continue substantial advertising and promotion throughout 1999.

In the deodorant anti-perspirant category, we introduced late in the year ARM & HAMMER ADVANCED DEODORANCY(TM), a product line upgrading our stick deodorant in three longer-lasting scents, each packaged in wide solid applicators. Television commercials emphasize baking soda's ability to absorb and eliminate odors and not just cover them up.

DEODORIZING PRODUCTS Our major new household product, ARM & HAMMER SUPER SCOOP, The Baking Soda Cat Litter was launched in late 1997 to compete in the clumping segment of the cat litter market. Now available in three package sizes ranging from seven pounds to 21 pounds, the product is sold in food, mass and pet specialty outlets. Heavy consumer promotion, including high-impact color inserts in major market newspapers, coupon offers and television advertising continued throughout 1998. A new 30-second commercial graphically illustrates baking soda-enhanced SUPER SCOOP's superior hard-and-fast single-clump action, compared to ordinary clumping litter.

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CONSUMER PRODUCTS

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After five years of near-static sales, venerable ARM & HAMMER Baking Soda, the Company's flagship product, is again on television channels promoting its core use of refrigerator deodorization. In development for many months, the redesigned blue FRIDGE-N-FREEZER FRESHENER, launched in January 1999, features flow-through front and back panels, doubling baking soda exposure to absorb odors and keep food tasting fresh. The new package launch will be advertised with a "Change Your Box With The Clocks" reminder message, supplemented by ongoing spokesperson media tours.

In mid-1998, ARM & HAMMER Carpet and Room Deodorizers regained category leadership. A major contributor to this success is our television commercial featuring playful puppies rolling over and sitting on carpets, delivering the message that "if you've got pets and a carpet, you need ARM & HAMMER Super Pet Fresh(R)." Mid-summer, we introduced LASTING SCENT, a new line appealing to consumers who prefer stronger fragrances, which reached national distribution early in 1999. Our focus in the year ahead will be the lasting fragrance segment as well as our thriving base business, particularly eliminating tough pet odors.

In September 1998, we announced a licensing agreement with Florida-based Flanders Corporation to use the ARM & HAMMER brand name for a high-end line of residential air filters. Flanders will manufacture, market and distribute premium-priced air filters infused with ARM & HAMMER Baking Soda in a proprietary process proven to remove household odors for up to three months.

LAUNDRY AND HOUSEHOLD CLEANING PRODUCTS The ARM & HAMMER laundry detergent business enjoyed an excellent year in sales growth. In the Second Quarter, we completed the introduction of a reformulated liquid laundry detergent with significantly improved cleaning performance as well as a new fresh fragrance. We also introduced a new 200-ounce bottle with the improved ARM & HAMMER Ultra formulation, followed by a second liquid detergent choice, Bleach Alternative. ARM & HAMMER Powder Laundry Detergent currently ranks 2 on a washload basis in food store sales. We expect to continue marketing support for both products in 1999 with coupon offers in major newspapers, and supplementary merchandising aid to the trade.

ARM & HAMMER FRESH 'N SOFT Dryer Sheets joined the ARM & HAMMER family of laundry products in January 1999, and will be incorporated in store displays and laundry detergent promotions. Available in two scents and in 20-, 40- and 100-count packages, this new product for controlling static cling replaces two established brands in the fabric softener category, ARM & HAMMER and the TOSS 'N SOFT brand we acquired in early 1998.

The new BRILLO Soap Pads for cleaning and shining pots and pans were launched in First Quarter 1999. Sixty percent stronger and longer lasting, the reformulated pads contain more soap than competitive products, are rust-resistant, and are available with lemon scent as well as regular. A new production line at our London, Ohio, manufacturing plant assures efficient and top quality packaging. The redesigned BRILLO box carries the ARM & HAMMER logo and Environmental Commitment. Television advertising, including Hispanic outlets, and newspaper couponing are expected to increase sales as BRILLO expands nationally to western markets.

SPECIALTY PRODUCTS

SPECIALTY CHEMICALS Church & Dwight has long been the world's leading supplier of sodium bicarbonate for both consumer and industrial applications. In recent years, the Company's focus has shifted more and more to high-value uses such as healthcare which require exceptional purity, special granulations and a high level of technical expertise. A major step in supporting this initiative was the decision in 1997 to commit $7.3 million to fund the modernization of our sodium bicarbonate plant in Green River, Wyoming, which became operational in First Quarter 1999. In September, we announced a plan to again increase the Company's annual sodium bicarbonate capacity, this time from 440,000 to 520,000 short tons by the year 2000.

The Armand Products joint venture remains the worldwide leader in potassium carbonate production. The major product use is in the manufacture of video glass for television sets and personal computers. U.S. demand declined during the year due to imports of finished products from the Far East.

Overseas, Brotherton Speciality Products, Ltd., our United Kingdom subsidiary, had another successful year and expanded its product line of ammonium- and potassium-based specialty chemicals. Our Brazilian affiliate, QGN/Carbonor, in which we have a 40 percent interest, grew its sodium bicarbonate business in a difficult year for the Brazilian economy.

ANIMAL NUTRITION PRODUCTS Animal nutrition products had an excellent year, led by strong growth in MEGALAC Rumen Bypass Fat and the new value-added MEGALAC products. Based on this increased demand, we are expanding the MEGALAC plant at our Old Fort, Ohio, facility; additional capacity will be available in Third Quarter 1999. In mid-1998, we also announced a joint venture with Agway, Inc., a leading agricultural cooperative, and Compton & Associates, a consulting firm specializing in the food business. The new enterprise, named LifeRight Foods LLC, will use technologies owned by Church & Dwight and Agway to develop nutritionally enhanced feeds made from natural ingredients, initially for the dairy and poultry industries.

SPECIALTY CLEANERS Early in 1999, we sold the equipment portion of ARMEX Cleaning and Coating Removal Systems, our environmentally superior soda blasting business for the removal of paints and process residues, to U.S. Filter Corporation. Under this transaction, we retain our interest in the ARMEX Soluble Blast Media business for which U. S. Filter will become a distributor.

We also took steps to significantly extend our alliance with Safety-Kleen Corp., the nation's foremost industrial parts cleaning company, to build a specialty cleaning business based on our proprietary aqueous cleaning technology and their excellent selling and distribution capabilities. The new joint venture, named ArmaKleen Company and headquartered in Princeton, New Jersey, will focus on developing environmentally superior aqueous-based specialty cleaning products to replace hydrocarbon-based solvents, which have been already banned by legislation in some states. Our existing AquaWorks business with Safety-Kleen, as well as ARMAKLEEN Liquid and ARMEX Soluble Blast Media product lines, will be folded into the venture.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
Eleven-Year Financial Review
(Dollars in millions, except per share data)

Operating Results	1998	1997	1996	1995	1994	1993	1992
Net sales:							

Consumer Products	$ 560.2	459.0	417.6	380.6	393.0	410.4	409.3
Specialty Products	124.2	115.9	110.2	105.2	98.0	97.3	87.2
Total	684.4	574.9	527.8	485.8	491.0	507.7	496.5
Marketing	$ 182.2	148.3	136.3	120.0	131.3	126.3	123.0
Research & development	$ 16.4	15.8	17.8	18.5	20.6	21.2	17.8
Income from operations	$ 42.5	30.6	27.3	8.4	1.5	35.6	37.7
Net income	$ 30.3	24.5	21.2	10.2	6.1	26.3	29.5
% of sales	4.4%	4.3%	4.0%	2.1%	1.2%	5.2%	5.9%
Net income per share - basic	$ 1.56	1.26	1.09	.52	.31	1.30	1.45
Net income per share - diluted	$ 1.51	1.23	1.08	.51	.31	1.28	1.42
Financial Position							
Total assets	$ 391.4	351.0	308.0	293.2	294.5	281.7	261.0
Total debt	48.8	39.5	7.5	12.5	32.5	9.6	7.7
Stockholders' equity	194.8	179.3	165.3	153.7	153.9	169.4	159.1
Total debt as a % of total capitalization	20%	18%	4%	8%	17%	5%	5%
Working capital	$ 42.6	23.2	36.8	22.1	23.4	54.6	40.7
Current ratio	1.3	1.2	1.4	1.2	1.2	1.8	1.5
Other Data							
Average common shares outstanding-basic (In thousands)	19,367	19,461	19,534	19,567	19,706	20,223	20,338
Return on average stockholders' equity	16.2%	14.2%	13.3%	6.6%	3.8%	16.0%	19.8%
Return on average capital	13.1%	12.5%	12.5%	5.8%	3.3%	15.2%	18.8%
Cash dividends paid	$ 9.3	9.0	8.6	8.6	8.7	8.5	7.7
Cash dividends paid per common share	$ .48	.46	.44	.44	.44	.42	.38
Stockholders' equity per common share	$ 10.09	9.23	8.50	7.87	7.88	8.43	7.82
Additions to property, plant and equipment	$ 27.1	9.9	7.1	19.7	28.4	28.8	12.5
Depreciation and amortization	$ 16.5	14.2	13.6	13.1	11.7	10.6	9.8
Employees at year-end	1,127	1,137	937	941	1,028	1,096	1,092
Statistics per employee: (In thousands)							
Sales	$ 607	506	563	516	478	463	455
Operating earnings	38	27	29	9	1	33	35

Operating Results	1991	1990	1989	1988
Net sales:				
Consumer Products	386.1	331.1	295.6	249.4
Specialty Products	80.7	80.2	75.8	82.1
Total	466.8	411.3	371.4	331.5
Marketing	94.9	71.3	45.9	38.7
Research & development	13.4	12.3	7.9	6.3
Income from operations	34.0	28.9	25.2	23.6
Net income	26.5	22.5	8.6	16.5
% of sales	5.7%	5.5%	2.3%	5.0%
Net income per share - basic	1.29	1.05	.42	.75
Net income per share - diluted	1.29	1.05	.41	.74
Financial Position				
Total assets	244.3	249.2	242.5	241.7
Total debt	7.8	31.0	53.6	57.0
Stockholders' equity	139.2	118.7	111.6	112.0
Total debt as a % of total capitalization	5%	21%	32%	34%
Working capital	34.1	46.1	66.8	58.8
Current ratio	1.4	1.6	2.2	2.2
Other Data				
Average common shares outstanding-basic (In thousands)	19,831	20,455	20,728	21,985
Return on average stockholders' equity	20.5%	19.5%	7.7%	14.4%
Return on average capital	17.8%	14.3%	5.2%	9.6%
Cash dividends paid	6.7	6.1	5.4	5.1
Cash dividends paid per common share	.34	.30	.26	.23
Stockholders' equity per common share	6.85	5.87	5.39	5.35

Additions to property, plant and equipment	19.3	10.0	10.4	11.3
Depreciation and amortization	9.5	8.9	8.5	8.2
Employees at year-end	1,081	994	1,070	1,000
Statistics per employee: (In thousands)				
Sales	432	414	347	332
Operating earnings	31	29	24	24

FINANCIAL REVIEW

The Financial Review discusses the Company's performance for 1998 and compares it to previous years. This Review is an integral part of the Annual Report and should be read in conjunction with all other sections.

1998 COMPARED TO 1997

Net Sales

Net sales increased 19.0% in 1998 primarily due to growth in the Consumer Products business.

Consumer Products were up 22.0% reflecting the introduction of two new major Consumer Products, SUPER SCOOP Cat Litter, in last year's third quarter and ARM & HAMMER DENTAL CARE Gum, in early 1998. The acquisition of BRILLO Soap Pads and certain other brands in late 1997 also contributed to the sales growth. In the established consumer business, higher sales of laundry and deodorizing products were partially offset by lower toothpaste sales.

Specialty Products were up 7.1% led by higher sales of animal nutrition products, particularly MEGALAC Rumen Bypass Fat.

Operating Costs

The Company's gross margin decreased .5 points to 44.7%, reflecting the change in sales mix, especially the higher laundry and lower toothpaste sales, partially offset by lower manufacturing costs.

Advertising, consumer and trade promotion expenses increased $34.0 million to $182.2 million. The introductory costs of advertising and promoting ARM & HAMMER DENTAL CARE Gum were the most significant factors behind this increase. Other factors contributing to this increase included the full-year effect of advertising SUPER SCOOP Cat Litter, and promotion costs in support of BRILLO Soap Pads.

Selling, general and administrative expenses were slightly higher primarily as a result of personnel-related costs in support of new business initiatives and brokerage commissions related to higher sales. These increases were mostly offset by a reduction in the net cost of information systems. At the beginning of 1998, the Company adopted a new AICPA accounting statement which requires companies to capitalize certain costs of developing computer software for internal use. The amount capitalized, net of amortization, was $4.7 million which reflected an unusually high level of software spending on a major company-wide information system implemented during 1998. If the same policy had been in effect in the previous year, the amount capitalized that year would have been about $4.0 million.

During the second quarter of 1998, the Company recognized a one-time gain from the sale of research & development technology for $3.5 million.

In the final quarter of 1998, the Company closed its small sodium bicarbonate plant in Venezuela after determining that market conditions could no longer support it. The facility produced 1998 sales of $2.3 million and was unprofitable. The closure involved a $2.8 million pre-tax write-off.

Other Income and Expenses

The Armand Products Company, our potassium carbonate joint venture with Occidental Chemical Corporation, saw a 2.8% sales decline driven by an increase in imports of finished products from the Far East as the dollar strengthened against Asian currencies. The slightly lower profitability on the lower sales of this joint venture, together with a break-even result from our 40% equity interest in a Brazilian chemical company, were the primary reasons for the $.8 million decrease in equity income.

Investment income was lower than a year ago as a result of a lower amount of average cash available for investment.

Other expenses in 1998 were largely the result of foreign exchange losses, which include translation losses incurred by our Venezuelan subsidiary due to the devaluation of the local currency.

Interest expense in 1998 was approximately $1.7 million higher than the previous year and was the result of an increase of the debt incurred to finance the purchase of new product lines in the third quarter of 1997 and the first quarter of 1998. Furthermore, additional financing was required to fund the acquisition of the Lakewood plant and a relatively large capital expenditure program.

Taxation

The effective tax rate for 1998 was 34.4%, compared to 36.7% in the previous year. The lower effective rate is primarily due to the utilization of tax losses of our Venezuelan subsidiary that could not be utilized in prior years.

Net Income and Earnings Per Share

The Company's net income for 1998 was $30.3 million, equivalent to diluted earnings of $1.51 per share, compared to $24.5 million or $1.23 per share in 1997.

1997 COMPARED TO 1996

Net Sales

Net sales increased 8.9% in 1997 primarily due to growth in the Consumer Products business.

Consumer Products were up 9.9% mainly on higher sales of ARM & HAMMER Laundry Detergent products, the national introduction of SUPER SCOOP Cat Litter and the addition of five product lines, including BRILLO, acquired in late August. Of the major personal care product lines, ARM & HAMMER Deodorant Anti-Perspirant sales were higher, and ARM & HAMMER DENTAL CARE toothpaste sales were lower, than in the previous year.

Specialty Products were up 5.2% led by higher sales of animal nutrition products, as well as continued growth of the new specialty cleaning product line.

Operating Costs

The Company's gross margin decreased slightly to 45.2%. A major favorable factor was the reduction in manufacturing costs resulting from cost improvement programs, which included plant reorganization activities initiated in the latter part of 1996, as well as the final rollout of a reformulated laundry detergent powder in the second quarter of 1997. This margin improvement, however, was more than offset by higher manufacturing costs of ARM & HAMMER DENTAL CARE toothpaste related to a major buy-one-get-one-free promotion during the year.

Advertising, consumer and trade promotion expenses increased $12.0 million to $148.3 million. This increase largely stemmed from higher introductory launch costs of SUPER SCOOP Cat Litter and test market costs associated with ARM & HAMMER DENTAL CARE Gum.

Selling, general and administrative expenses increased primarily as a result of higher information systems costs related to the installation of a new logistics system and initial spending on a new enterprise package, as well as additional personnel costs in support of new business initiatives. Lower research & development spending on the Xosten drug development program was partially offset by higher research & development spending on Consumer and Specialty Products.

Other Income and Expenses

The Armand Products Company saw a 4% sales increase driven by higher export business. The resulting profitability improvement from this joint venture activity, along with a partial year contribution from our 40% equity interest in a Brazilian chemical company, were the primary reasons for the $.9 million increase in equity income.

Investment income was slightly higher than a year ago primarily as a result of interest earned on a tax refund stemming from resolution of prior year issues.

Other income in 1997 consists mainly of a settlement from a long-standing class action suit against the carbon dioxide supply industry and minor foreign exchange gains. Other expenses of $.4 million in 1996 included foreign exchange losses incurred by our Venezuelan subsidiary due to the devaluation of the local currency.

Interest expense in 1997 was approximately $.6 million higher than in the previous year and was the result of using short-term debt to finance the purchase of the five brands in late August.

Taxation

The effective tax rate for 1997 was 36.7%, compared to 36.0% in the previous year. The increase in the effective rate is primarily due to a higher effective state tax rate.

Net Income and Earnings Per Share

The Company's net income for 1997 was $24.5 million, equivalent to diluted earnings of $1.23 per share, compared to $21.2 million or $1.08 per share in 1996.

LIQUIDITY AND CAPITAL RESOURCES

The Company's balance sheet was strong at both the 1998 and 1997 year-end. The net debt position, after deducting cash and short-term investments, increased to $30.6 million at December 31, 1998 from $20.6 million at the year-end 1997.

In 1998, operating cash flow was $50.1 million. Major factors contributing to the cash flow from operating activities included higher operating earnings before non-cash charges for depreciation and amortization, offset by an increase in accounts receivable related to the higher sales. Operating cash flow together with additional net borrowings of $9.3 million were used to fund capital expenditures associated mainly with the installation of the new enterprise software system and related hardware additions, plant modernization and cat litter capacity projects at Green River, and new packaging equipment in support of the BRILLO Soap Pad line at our London, Ohio, plant. Other major uses of cash included the expenditures related to the Lakewood plant acquisition, the early

1998 acquisition of the TOSS `N SOFT product line, and the purchase of 347,000 shares of treasury stock and cash dividends.

The Company has a total debt-to-capital ratio of approximately 20%. At December 31, 1998 the Company had $56.5 million of additional borrowing capacity available through short-term lines of credit and another $1.5 million under a revolving credit facility. Capital expenditures in 1999 are expected to be lower than in 1998, but may be moderately higher than the level of depreciation and amortization. Management believes that operating cash flow, coupled with the Company's access to credit markets, will be more than sufficient to meet the anticipated cash requirements for the coming year.

In 1997, operating cash flow was almost $18 million. Major factors contributing to the cash flow from operating activities included higher operating earnings, non-cash charges for depreciation and amortization, offset by a higher working capital position resulting from an increase in accounts receivable on the higher sales, and higher inventories for new and acquired products. Operating cash flow together with short-term borrowings of $32 million were mainly used to fund the $31 million purchase of the five brands, and to finance the $10 million investment in a Brazilian chemical company. In addition, cash flow was used to fund capital expenditures, pay cash dividends and acquire 116,000 shares of treasury stock.

OTHER ITEMS

New Accounting Pronouncement

In June 1998, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 ("SFAS 133") "Accounting for Derivative Instruments and Hedging Activities." The Company is required to adopt the provisions of this Statement in the 2000 year-end financial statements. This Statement requires that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value. The Statement requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company is in the process of evaluating this Statement and has not yet determined the future impact on the Company's consolidated financial statements.

Year 2000

Like most other companies, Church & Dwight has established a Y2K project plan that covers both traditional computer systems and infrastructure ("IT systems") and computer-based manufacturing and related systems ("non-IT systems"). The general phases of the Y2K project common to both types of systems are: inventorying Y2K items; assigning priorities to identified items; assessing the Y2K compliance of items determined to be material to the Company; remediation (repairing or replacing) of material items that are determined not to be Y2K compliant; testing material items; and designing and implementing contingency and business continuation plans.

With regard to IT systems, the Company completed and implemented a new enterprise software package from SAP America, Inc. on April 27, 1998. The installation of this Y2K compliant software package substantially replaced the core transaction processing and recording capabilities of our older non-compliant IT systems. The remaining IT systems that are material to the effective management of the business have been inventoried, prioritized, and assessed, and repair or replacement and testing activities are planned to be complete by the third quarter of 1999.

Non-IT systems, which include manufacturing equipment with embedded microprocessors, have been inventoried and priorities have been assigned to identified items. Assessment, implementation and testing of required changes to critical systems are expected to be complete by late 1999, but the work is ongoing.

The Company is in contact with its major customers and is contacting vendors and others on whom it relies to assure that their systems will be converted. However, there can be no assurance that the systems of other companies will be timely converted and there is no way to predict what impact, if any, this will have on the Company's operations.

Total expenditures incurred on Y2K-related projects through the fourth quarter of 1998 are estimated at approximately $11 million. While the costs of the remaining required changes are not yet fully known, we expect the total estimated costs of the Y2K-related projects to be in the $13 million to $14 million range.

The failure to correct a material Y2K problem could result in an interruption in, or failure of, certain normal business activities or operations. Such failures could materially and adversely affect the Company's results of operations, liquidity and financial condition. Due to the general uncertainty inherent in the Y2K problem resulting in part from the uncertainty of the Y2K readiness of third-party suppliers and customers, the Company is unable to determine at this time whether the consequences of Y2K failures will have a material impact on the Company's results of operations, liquidity or financial condition. The Y2K Project is expected to reduce, but not necessarily eliminate, the Company's uncertainty about the Y2K problem.

Contingency and business continuation plans to protect the Company from Y2K-related interruptions are being developed. These plans will be completed during 1999 and will include development of back-up procedures, identifications of alternate suppliers and possible increases in inventory levels. The Company believes, however, that due to the widespread nature of potential Y2K issues, the contingency planning process is an ongoing one which will require further modifications as the Company obtains additional information regarding its own internal systems and equipment needs determined during the remediation and testing phases of its Y2K project, and the status of third-party Y2K readiness.

Year 2000 Forward-Looking Statement

The preceding Y2K discussion contains various forward-looking statements which represent the Company's beliefs or expectations regarding future events. These statements include, without limitation, the Company's expectations as to when it will complete the remediation and testing phases of its Y2K project plan; its estimated cost of achieving Y2K readiness; and the Company's belief that its internal systems and equipment will be Y2K-compliant in a timely manner. All forward-looking statements involve a number of risks and uncertainties that could cause the actual results to differ materially from the projected results. Factors that may cause these differences include, but are not limited to, the availability of qualified personnel and other information technology resources; the ability to identify and remediate all date-sensitive lines of computer code or to replace embedded computer chips in affected systems or equipment; and the actions of other third parties with respect to Y2K problems. In addition, disruptions in the economy generally resulting from the Y2K issues also could materially and adversely affect the Company.

Competitive Environment

The Company operates in highly competitive consumer-product markets, in which cost efficiency and innovation are critical to success.

Most of the Company's laundry and household cleaning products are sold as value brands, which makes their cost position especially important. To stay competitive in this category, the Company completed its rollout of a reformulated liquid laundry detergent product in 1998, and, in early 1999, began a $6 million project to modernize and upgrade our powder laundry detergent plant at Green River, Wyoming. Once this project is completed in late 1999, we expect to concentrate all powder laundry detergent production at Green River, thereby improving upon our cost position.

The Company has been very successful in recent years in entering the oral care and personal care and deodorizing businesses using the unique strengths of its ARM & HAMMER trademark and baking soda technology. These are highly innovative markets, characterized by a continuous flow of new products and line extensions, and requiring heavy advertising and promotion.

In 1998, the Company made an important addition to the oral care product line with the introduction of ARM & HAMMER DENTAL CARE Gum. This introduction is considered a success but, as the category is new, it is too early to know how successful the product will be in the long term. In the toothpaste category, sales fell as larger competitors introduced major new line extensions supported by historically high levels of advertising and promotion spending. To strengthen our position in the category, the Company is introducing into the important whitening segment of the market ARM & HAMMER ADVANCE WHITE, a new product line based on the whitening power of baking soda in combination with other ingredients. The Company anticipates that marketing spending levels will remain high in 1999.

The major activity in the deodorizing product line for 1998 was the continuation of the SUPER SCOOP Cat Litter launch, which first began in late 1997. This introduction is also considered a success, but the product will need continued support as distribution is expanded. In 1999, the Company is introducing two major line extensions in the deodorizing area: ARM & HAMMER Baking Soda FRIDGE-N-FREEZER FRESHENER and ARM & HAMMER Carpet Deodorizer LASTING SCENT. These introductions usually involve heavy marketing costs in the year of launch, and the eventual success of these line extensions will not be known for some time.

In the Specialty Products business, competition within the two major product categories, sodium bicarbonate and potassium carbonate, remained intense in 1998. Sodium bicarbonate sales have been impacted for several years by a nahcolite-based sodium bicarbonate manufacturer which has been operating at the lower end of the business and is

now making an effort to enter the higher end. To strengthen its competitive position, the Company has recently completed the modernization of its Green River facility to provide better availability of specialized grades, and is also increasing its R & D spending on health care, food processing and other high-end applications. As for potassium carbonate, the Company expects imports of video glass from the Far East to affect U.S. demand in 1999 as it did in 1998.

During the year, the Company continued to pursue opportunities to build a specialized industrial cleaning business using our aqueous-based technology. In early 1999, the Company extended its alliance with Safety-Kleen Corp. to build a specialty cleaning products business based on our technology and their sales and distribution organization. While this opportunity holds great promise, the outcome may not be known for some time.

Cautionary Note on Forward-Looking Statements

This Annual Report contains forward-looking statements relating, among others, to financial objectives, sales growth and cost reduction programs. Many of these statements depend on factors outside the Company's control, such as economic conditions, market growth and consumer demand, competitive products and pricing, raw material costs and other matters. With regard to new product introductions, there is particular uncertainty related to trade, competitive and consumer reactions. There is also significant uncertainty in 1999 relating to the Y2K computer problem, including its effect on customers and suppliers. If the Company's assumptions are incorrect, or there is a significant change in some of these key factors, the Company's performance could vary materially from the forward-looking statements in this Report.

Common Stock Price Range and Dividends	1998			1997		
	Low	High	Dividend	Low	High	Dividend
1st Quarter	$ 26 3/8	$ 30 5/8	$ 0.12	$ 21 5/8	$ 29	$ 0.11
2nd Quarter	29 1/8	30 7/8	0.12	24 1/8	28 3/4	0.11
3rd Quarter	27 1/8	34 3/8	0.12	25 5/8	31	0.12
4th Quarter	27 1/2	36	0.12	26 7/8	32 3/4	0.12
Full Year	$ 26 3/8	$ 36	$ 0.48	$ 21 5/8	$ 32 3/4	$ 0.46

Based on composite trades reported by the New York Stock Exchange.

Approximate number of holders of Church & Dwight's Common Stock as of December 31, 1998: 10,000.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
Consolidated Statements of Income
(Dollars in thousands, except per share data)

Year ended December 31,	1998	1997	1996
Net Sales	$ 684,393	$ 574,906	$ 527,771
Cost of sales	378,604	314,821	288,295
Gross Profit	305,789	260,085	239,476
Advertising, consumer and trade promotion expenses	182,206	148,254	136,308
Selling, general and administrative expenses	81,824	81,275	75,905
Sale of technology	(3,500)	--	--
Plant shutdown	2,766	--	--
Income from Operations	42,493	30,556	27,263
Equity in earnings of affiliates	5,276	6,057	5,140
Investment earnings	1,348	1,666	1,544
Other income (expense)	(278)	1,320	(424)
Interest expense	(2,653)	(912)	(352)
Income before taxes	46,186	38,687	33,171
Income taxes	15,897	14,181	11,943
Net Income	$ 30,289	$ 24,506	$ 21,228
Weighted average shares outstanding (in thousands) - Basic	19,367	19,461	19,534
Weighted average shares outstanding (in thousands) - Diluted	20,025	19,971	19,697
Net Income Per Share - Basic	$ 1.56	$ 1.26	$ 1.09
Net Income Per Share - Diluted	$ 1.51	$ 1.23	$ 1.08

See Notes to Consolidated Financial Statements

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(Dollars in thousands)

December 31,	1998	1997
Assets		

Current Assets		
Cash and cash equivalents	$ 16,189	$ 14,949
Short-term investments	2,042	3,993
Accounts receivable, less allowances of $1,579 and $1,532	65,014	49,566
Inventories	60,285	61,275
Current portion of notes receivable	7,485	4,131
Deferred income taxes	10,535	9,802
Prepaid expenses	5,258	5,727
Total Current Assets	166,808	149,443
Property, Plant and Equipment (Net)	161,712	142,343
Note Receivable from Joint Venture	2,384	6,869
Equity Investment in Affiliates	27,751	26,871
Long-term Supply Contracts	4,918	2,775
Intangibles and Other Assets	27,865	22,713
Total Assets	$ 391,438	$ 351,014

Liabilities and Stockholders' Equity

Current Liabilities		
Short-term borrowings	$ 18,500	$ 32,000
Accounts payable and accrued expenses	98,069	92,090
Current portion of long-term debt	685	685
Income taxes payable	6,983	1,456
Total Current Liabilities	124,237	126,231
Long-term Debt	29,630	6,815
Deferred Income Taxes	21,178	20,578
Deferred Liabilities	6,785	3,786
Nonpension Postretirement and Postemployment Benefits	14,770	14,263
Commitments and Contingencies		
Stockholders' Equity		
Preferred Stock-$1 par value		
Authorized 2,500,000 shares, none issued	--	--
Common Stock-$1 par value		
Authorized 100,000,000 shares,		
issued 23,330,494 shares	23,330	23,330
Additional paid-in capital	36,502	34,097
Retained earnings	218,618	197,622
Accumulated other comprehensive income (loss)	(782)	(591)
	277,668	254,458
Common stock in treasury, at cost:		
4,019,505 shares in 1998 and		
3,893,155 shares in 1997	(82,281)	(74,568)
Due from officer	(549)	(549)
Total Stockholders' Equity	194,838	179,341
Total Liabilities and Stockholders' Equity	$ 391,438	$ 351,014

See Notes to Consolidated Financial Statements

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flow
(Dollars in thousands)

Year ended December 31,	1998	1997	1996
Cash Flow From Operating Activities			
Net Income	$ 30,289	$ 24,506	$ 21,228
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation, depletion and amortization	16,503	14,158	13,624
Loss on asset disposals	3,554	--	255
Equity in earnings of affiliates	(5,276)	(6,057)	(5,140)
Deferred income taxes	(133)	2,733	(272)
Other	90	155	307
Change in assets and liabilities:			
Decrease in short-term investments	1,951	1,018	16
(Increase) decrease in accounts receivable	(15,545)	(7,875)	2,793
Decrease (increase) in inventories	2,053	(7,108)	(7,437)
Decrease (increase) in prepaid expenses	455	(819)	397
Increase (decrease) in accounts payable	6,143	(1,118)	6,412
Increase (decrease) in income taxes payable	6,521	(3,683)	485
Increase in other liabilities	3,505	1,650	1,076
Net Cash Provided by Operating Activities	50,110	17,560	33,744
Cash Flow From Investing Activities			
Additions to property, plant and equipment	(27,123)	(9,918)	(7,114)
Distributions from affiliates	4,756	5,818	5,437
Investment in affiliate	(360)	(10,421)	(5,250)
Purchase of new product lines	(7,038)	(30,973)	
Purchase of other assets	(1,995)	(727)	--
Proceeds from note receivable	4,131	--	--
Investment in note receivable	(3,000)	--	--
Acquisition of manufacturing facility	(9,014)	--	--
Purchase of supply contract	(2,750)	--	--
Purchase of license agreement	--	(1,000)	--
Repayment of officer loans	--	--	411
Net Cash Used in Investing Activities	(42,393)	(47,221)	(6,516)
Cash Flow From Financing Activities			
(Repayments) proceeds from short-term borrowing	(13,500)	32,000	(5,000)
Proceeds from stock options exercised	3,770	1,705	887
Purchase of treasury stock	(10,269)	(3,044)	(2,971)
Payment of cash dividends	(9,293)	(8,953)	(8,597)
Long-term debt repayment	(685)	--	--
Long-term borrowing	23,500	--	--
Net Cash (Used in) Provided by Financing Activities	(6,477)	21,708	(15,681)
Net Change in Cash and Cash Equivalents	1,240	(7,953)	11,547
Cash and Cash Equivalents at Beginning of Year	14,949	22,902	11,355
Cash and Cash Equivalents at End of Year	$ 16,189	$ 14,949	$ 22,902
Cash paid during the year for:			
Interest (net of amounts capitalized)	$ 2,768	$ 698	$ 362
Income taxes	9,521	15,159	12,233

See Notes to Consolidated Financial Statements

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
Consolidated Statements of Stockholders' Equity
(In thousands)

Years ended December 31, 1998, 1997, 1996

	Number of Shares		Amounts			
	Common Stock	Treasury Stock	Common Stock	Treasury Stock	Additional Paid-In Capital	Retained Earnings
January 1, 1996	23,330	(3,805)	$ 23,330	$ (70,501)	$ 33,061	$ 169,438
Net Income	--	--	--	--	--	21,228
Translation adjustments	--	--	--	--	--	--
Comprehensive Income						
Cash dividends	--	--	--	--	--	(8,597)
Stock option plan transactions including related income tax benefit	--	59	--	683	229	--
Purchase of treasury stock	--	(139)	--	(2,971)	--	--
Other stock issuances	--	7	--	81	74	--
Officers repayment	--	--	--	--	--	--
December 31, 1996	23,330	(3,878)	23,330	(72,708)	33,364	182,069
Net Income	--	--	--	--	--	24,506
Translation adjustments	--	--	--	--	--	--
Comprehensive Income						
Cash dividends	--	--	--	--	--	(8,953)
Stock option plan transactions including related income tax benefit	--	101	--	1,184	733	--
Purchase of treasury stock	--	(116)	--	(3,044)	--	--
December 31, 1997	23,330	(3,893)	23,330	(74,568)	34,097	197,622
Net Income	--	--	--	--	--	30,289
Translation adjustments	--	--	--	--	--	--
Comprehensive Income						
Cash dividends	--	--	--	--	--	(9,293)
Stock option plan transactions including related income tax benefit	--	214	--	2,474	2,278	--
Purchase of treasury stock	--	(347)	--	(10,269)	--	--
Other stock issuances	--	7	--	82	127	--
December 31, 1998	23,330	(4,019)	$ 23,330	$ (82,281)	$ 36,502	$ 218,618

	Accumulated Other Comprehensive Income (loss)	Due From Officers	Comprehensive Income
January 1, 1996	$ (686)	$ (960)	
Net Income			21,228
Translation adjustments	492	--	492
Comprehensive Income			21,720
Cash dividends	--	--	
Stock option plan transactions including related income tax benefit	--	--	
Purchase of treasury stock	--	--	
Other stock issuances	--	--	
Officers repayment	--	411	
December 31, 1996	(194)	(549)	
Net Income	--	--	24,506
Translation adjustments	(397)	--	(397)
Comprehensive Income			24,109
Cash dividends	--	--	
Stock option plan transactions including related income tax benefit	--	--	
Purchase of treasury stock	--	--	
December 31, 1997	(591)	(549)	
Net Income	--	--	30,289
Translation adjustments	(191)	--	(191)
Comprehensive Income			30,098
Cash dividends	--	--	
Stock option plan transactions including related income tax benefit	--	--	
Purchase of treasury stock	--	--	
Other stock issuances	--	--	
December 31, 1998	$ (782)	$ (549)	

See Notes to Consolidated Financial Statements

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

1. accounting policies

Business

The Company's principal business is the manufacture and sale of sodium carbonate-based products. It sells its products, primarily under the ARM & HAMMER trademark, to consumers through supermarkets, drug stores and mass merchandisers; and to industrial customers and distributors. In 1998, Consumer Products represented 82% and Specialty Products 18% of the Company's net sales. The Company does approximately 91% of its business in the United States.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries. The Company's 50% interest in its Armand Products Company joint venture, its 40% interest in a Brazilian bicarbonate/carbonate-related chemical company and its 45% interest in LifeRight Foods LLC, a joint venture to develop enhanced feeds made from natural ingredients, have been accounted for under the equity method of accounting. All material intercompany transactions and profits have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Foreign Currency Translation

Financial statements of foreign subsidiaries are translated into U.S. dollars in accordance with SFAS No. 52. Gains and losses on foreign currency transactions were not material.

Cash Equivalents

Cash equivalents consist of highly liquid short-term investments which mature within three months of purchase.

Inventories

Inventories are valued at the lower of cost or market. Cost is determined primarily by using the last-in, first-out (LIFO) method.

Property, Plant and Equipment

Property, plant and equipment and additions thereto are stated at cost. Depreciation and amortization are provided by the straight-line method over the estimated useful lives of the respective assets.

Software

During the first quarter of 1998, the Company adopted AICPA Statement of Position (SOP) 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." The SOP requires companies to capitalize certain costs of developing computer software. Amortization is provided by the straight-line method over the estimated useful lives of the software. The after-tax effect was an increase in net income of approximately $2.9 million or $0.14 per diluted share.

Long-Term Supply Contracts

Long-term supply contracts represent advance payments under multi-year contracts with suppliers of raw materials and finished goods inventory. Such advance payments are applied over the lives of the contracts.

Goodwill

Goodwill recorded prior to November 1, 1970, is not being amortized, as management of the Company believes there has been no diminution in carrying value. Goodwill, recorded in 1997 and 1998 as part of the Brillo and related brand acquisitions and the investment in a Brazilian bicarbonate/carbonate-related chemical company, is being amortized over 20-30 years using the straight-line method.

Selected Operating Expenses

Research & development costs in the amount of $16,448,000 in 1998, $15,841,000 in 1997 and $17,823,000 in 1996, were charged to operations as incurred. Marketing costs in the amounts of $182,206,000 in 1998, $148,254,000 in 1997 and $136,308,000 in 1996 were charged to operations as incurred.

Earnings Per Share

The Company calculates earnings per share in accordance with Statement of Financial Accounting Standards No. 128 (SFAS 128), "Earnings per Share." Under SFAS 128, the Company has presented two earnings per share amounts. Basic EPS is calculated based on income available to common shareholders and the weighted-average number of shares

outstanding during the reported period. Diluted EPS includes additional dilution from potential common stock issuable pursuant to the exercise of stock options outstanding. There were no antidilutive stock options for 1998. Antidilutive stock options, in the amounts of 242,900 for 1997 and 1,107,850 for 1996, have been excluded.

Income Taxes

The Company recognizes deferred income taxes under the liability method; accordingly, deferred income taxes are provided to reflect the future consequences of differences between the tax bases of assets and liabilities and their reported amounts in the financial statements.

New Accounting Pronouncements

The Company has adopted Statement of Financial Accounting Standards No. 130 "Reporting Comprehensive Income." The accumulated other comprehensive income item is exclusively foreign exchange translation adjustments. The tax effect is zero because of a valuation allowance.

In June 1998, The Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133 (SFAS 133) "Accounting for Derivative Instruments and Hedging Activities." The Company is required to adopt the provisions of this Statement in the 2000 year-end financial statements. This Statement requires that all derivatives be recorded in the balance sheet as either an asset or liability measured at fair value. The Statement requires that changes in a derivative's fair value be recognized currently in earnings unless specific hedge accounting criteria are met. The Company is in the process of evaluating this Statement and has not yet determined the future impact on the Company's consolidated financial statements.

Reclassification

Certain prior year amounts have been reclassified in order to conform with the current year presentation.

2. fair value of financial instruments and foreign exchange risk management

The following table presents the carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1998 and 1997. Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments," defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties.

(In thousands)	1998		1997	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:				
Short-term investments	$ 2,042	$ 2,042	$ 3,993	$ 3,993
Notes receivable	9,869	9,814	11,000	11,000
Due from officer	549	554	549	549
Financial Liabilities:				
Short-term borrowings	18,500	18,500	32,000	32,000
Current portion of long-term debt	685	685	685	685
Long-term debt	29,630	29,630	6,815	6,815

The following methods and assumptions were used to estimate the fair value of each class of financial instruments reflected in the Consolidated Balance Sheets:

Short-term Investments

The cost of the investments (trading securities) can be specifically identified and its fair value is based upon quoted market prices at the reporting date. At December 31, 1998 and 1997, both the cost and market value of the investments approximated each other.

Notes Receivable

The notes receivable represent loans to the Company's Armand Products Company joint venture and Fluid Packaging Co., Inc. The note to Armand Products is secured by plant and equipment owned by the joint venture, bears interest at a rate of 8.25% and is due in installments from January 1998 through June 2000.

The note to Fluid Packaging is secured by a pledge of and security interest in 65% of the capital stock of Allied Mexico, S.A. de C.V., a wholly-owned subsidiary of Fluid Packaging. The note bears an interest rate of 8.0% and is due in full no later than July 15, 1999. Fair value of both notes is determined based on discounting cash flows using rates available on notes with similar terms.

Due from Officer

The note receivable approximates fair value because of its short maturity.

Short-term Borrowings

The amounts of unsecured lines of credit equal fair value because of short maturities and variable interest rates.

Long-term Debt and Current Portion of Long-term Debt

The Company estimates that based upon the Company's financial position and the variable interest rate, the carrying value approximates fair value.

Foreign Exchange Risk Management

The Company enters into forward exchange contracts to hedge anticipated but not yet committed sales denominated in the Japanese yen and the English pound. The terms of these contracts are for periods of under 12 months. The purpose of the

Company's foreign currency hedging activities is to protect the Company from the risk that the eventual dollar net cash inflows resulting from the sale of products to foreign customers will be adversely affected by changes in exchange rates. The amounts outstanding at December 31, 1998 and 1997 of "sell" contracts, translated into U.S. dollars using the rates current at the reporting date, were $3,156,000 and $2,419,000, respectively. The Company's accounting policy is to value these contracts at market value. At December 31, 1998, the Company had an immaterial unrealized loss and an immaterial unrealized gain at December 31, 1997.

3. inventories

Inventories are summarized as follows:

(In thousands)	1998	1997
Raw materials and supplies	$ 16,278	$ 16,848
Work in process	160	--
Finished goods	43,847	44,427
	$ 60,285	$ 61,275

Inventories valued on the LIFO method totaled $53,203,000 and $53,840,000 at December 31, 1998 and 1997, respectively, and would have been approximately $3,656,000 and $3,075,000 higher, respectively, had they been valued using the first-in, first-out (FIFO) method.

4. property, plant and equipment

Property, plant and equipment consist of the following:

(In thousands)	1998	1997
Land	$ 4,896	$ 3,258
Buildings and improvements	73,529	68,075
Machinery and equipment	173,595	165,174
Office equipment and other assets	14,347	13,355
Software	5,311	--
Mineral rights	5,931	5,931
Construction in progress	14,148	3,304
	291,757	259,097
Less accumulated depreciation, depletion and amortization	130,045	116,754
Net property, plant and equipment	$ 161,712	$ 142,343

Depreciation, depletion and amortization of property, plant and equipment have been charged to operations in the amount of $14,646,000, $13,249,000 and $13,085,000 in 1998, 1997 and 1996, respectively. Interest charges in the amount of $381,000 and $109,000 were capitalized in connection with construction projects in 1998 and 1997, respectively.

5. equity investments

The following table reflects summarized financial information for the Armand Products Company joint venture. The Company accounts for its 50% interest in the joint venture under the equity method. Products and services are provided to the Armand Products Company by the joint venture partners at cost. As a result, the information below would not be indicative of the financial position or results of operation had the joint venture operated on a stand-alone basis.

(In thousands)	1998	1997	1996
Income Statement Data:			
Net sales	$ 39,746	$ 40,870	$ 39,246
Gross profit	13,346	14,050	12,963
Net income	10,250	10,702	9,372
Company's share in net income	5,125	5,351	4,686
Elimination of Company's share of intercompany interest expense	377	454	454
Equity in joint venture income	$ 5,502	$ 5,805	$ 5,140

(In thousands)	1998	1997
Balance Sheet Data:		
Current assets	$ 8,307	$ 10,563
Noncurrent assets	35,182	36,057
Current liabilities	2,734	3,224
Current portion of notes payable	4,485	4,131
Notes payable-Church & Dwight Co., Inc.	2,384	6,869
Partnership capital	33,886	32,396

In 1997, the Company acquired a 40% interest in a Brazilian bicarbonate/carbonate-related chemical company.

The investment, costing approximately $10,400,000, was financed internally and includes goodwill of approximately $4,500,000. The agreement includes an option for the Company to increase its interest to 75% by March 31, 1999.

6. acquisitions

On January 26, 1998, the Company's Brotherton Speciality Products subsidiary purchased Kingston Chemical Ltd., a supplier of specialty chemicals, for approximately $1.7 million, which was allocated to intangible assets.

On January 29, 1998, the Company closed on its previously announced acquisition of TOSS 'N SOFT Dryer Sheets from The Dial Corporation for approximately $5.3 million.

On July 15, 1998, the Company purchased from Fluid Packaging Co., Inc., a manufacturing facility and machinery located in Lakewood, New Jersey, for approximately $9.0 million. As noted earlier, the Company loaned to Fluid Packaging $3.0 million at an interest rate of 8.0%, payable no later than July 15, 1999.

7. accounts payable and accrued expenses

Accounts payable and accrued expenses consist of the following:

(In thousands)	1998	1997
Trade accounts payable	$40,194	$31,700
Accrued marketing and promotion costs	40,622	45,097
Accrued wages and related costs	8,467	6,580
Accrued pension and profit-sharing	5,230	4,534
Other accrued current liabilities	3,556	4,179
	$98,069	$92,090

8. short-term borrowings and long-term debt

The Company has available short-term unsecured lines of credit with major U.S. banks in the amount of $75 million, of which $18.5 million was utilized as of December 31, 1998; and $25 million of a revolving credit agreement, of which $23.5 million was utilized at December 31, 1998. The weighted average interest rate on these borrowings at December 31,1998 was approximately 5.6%.

Long-term debt and current portion of long-term debt consists of the following:

(In thousands)	1998	1997
Three-Year Unsecured Revolving Credit Loan due June 6, 2001	$23,500	$ --
Industrial Revenue Refunding Bond due in installments of $685 from 1999-2007 and $650 in 2008	6,815	7,500
	$30,315	$ 7,500

The Industrial Revenue Refunding Bond carries a variable rate of interest determined weekly, based upon current market conditions for short-term tax-exempt financing. The average rate of interest charged in 1998 and 1997 was 3.0% and 3.5%, respectively. The interest rate associated with the revolving credit loan is tied to the Libor rate and may be adjusted based on the Company's financial performance. The average interest rate charged in 1998 was 5.6%.

9. pension and nonpension postretirement benefits

The Company has adopted Statement of Financial Accounting Standards No. 132 "Employers' Disclosure about Pensions and Other Postretirement Benefits."

The Company has defined benefit pension plans covering certain hourly employees. Pension benefits to retired employees are based upon their length of service and a percentage of qualifying compensation during the final years of employment. The Company's funding policy, which is consistent with federal funding requirements, is intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future.

The Company maintains unfunded plans which provide medical benefits for eligible domestic retirees and their dependents. The Company accounts for these benefits in accordance with Statement of Financial Accounting Standards No. 106 (SFAS 106), "Employers' Accounting for Postretirement Benefits Other than Pensions." This standard requires the cost of such benefits to be recognized during the employee's active working career.

The following table provides information on the status of the plans at December 31:

(In thousands)	Pension Plans 1998	Pension Plans 1997	Nonpension Postretirement Benefit Plans 1998	Nonpension Postretirement Benefit Plans 1997
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$ 13,301	$ 12,255	$ 7,871	$ 7,107
Service cost	396	348	446	371
Interest cost	977	891	592	530
Actuarial loss	1,387	520	880	306
Benefits paid	(658)	(713)	(241)	(443)
Benefit obligation at end of year	$ 15,403	$ 13,301	$ 9,548	$ 7,871
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$14,347	$ 12,956	$ --	$ --
Actual return on plan assets (net of expenses)	2,100	2,104		
Employer contributions	--	--	241	443
Benefits paid	(658)	(713)	(241)	(443)
Fair value of plan assets at end of year	$ 15,789	$ 14,347	$ 0	$ 0

(In thousands)	Pension Plans 1998	Pension Plans 1997	Nonpension Postretirement Benefit Plans 1998	Nonpension Postretirement Benefit Plans 1997
Reconciliation of the Funded Status:				
Funded status	$ 386	$ 1,046	$ (9,548)	$ (7,871)
Unrecognized transition obligation	10	8	--	--
Unrecognized prior service cost	184	213	(1,160)	(1,265)
Unrecognized actuarial gain	(990)	(1,558)	(3,174)	(4,269)
Loss due to currency fluctuations	56	38	--	--
Net amount recognized at end of year	$ (354)	$ (253)	$(13,882)	$(13,405)
Amounts recognized in the statement of financial position consist of:				
Prepaid benefit cost	$ 562	$ 508	--	--
Accrued benefit liability	(916)	(761)	(13,882)	(13,405)
Net amount recognized at end of year	$ (354)	$ (253)	$(13,882)	$(13,405)
Weighted-average assumptions as of December 31:				
Discount rate	6.75%	7.25%	6.75%	7.25%
Rate of compensation increase	5.00%	5.00%	--	--
Expected return on plan assets	9.25%	9.25%	--	--

Net Pension and Net Postretirement Benefit Costs consisted of the following components:

	Pension Costs	Postretirement Costs

(In thousands)	1998	1997	1996	1998	1997	1996
Components of Net Periodic Benefit Cost:						
Service cost	$ 396	$ 348	$ 355	$ 446	$ 371	$ 350
Interest cost	977	891	852	592	530	482
Expected return on plan assets	(1,291)	(1,167)	(1,077)	--	--	--
Amortization of transition obligation	4	2	1	--	--	--
Amortization of prior service cost	28	28	28	(105)	(96)	(79)
Recognized actuarial (gain) or loss	(13)	(31)	4	(215)	(301)	(310)
Net periodic benefit cost	$ 101	$ 71	$ 163	$ 718	$ 504	$ 443

The pension plan assets primarily consist of equity mutual funds, fixed income funds and a guaranteed investment contract fund.

The accumulated postretirement benefit obligation has been determined by application of the provisions of the Company's medical plans including established maximums and sharing of costs, relevant actuarial assumptions and health-care cost trend rates projected at 6% in 1999, and ranging to 5.4% for years 2000 and beyond. During 1996, the Company changed the eligibility requirements of the plan and established a maximum annual benefit based on years of service for those over 65 years of age.

(In thousands)	1998	1997
Effect of 1% increase in health-care cost trend rates on:		
Postretirement benefit obligation	$ 737	$ 477
Total of service cost and interest cost component	90	80
Effect of 1% decrease in health-care cost trend rates on:		
Postretirement benefit obligation	(646)	(450)
Total of service cost and interest cost component	(77)	(74)

The Company also maintains a defined contribution profit-sharing plan for salaried and certain hourly employees. Contributions to the profit-sharing plan charged to earnings amounted to $4,340,000, $4,100,000 and $3,700,000 in 1998, 1997 and 1996, respectively.

The Company also has an employee savings plan. The Company matches 50% of each employee's contribution up to a maximum of 6% of the employee's earnings. The Company's matching contributions to the savings plan were $1,097,000, $963,000 and $940,000 in 1998, 1997 and 1996, respectively.

10. income taxes

The components of income before taxes are as follows:

(In thousands)	1998	1997	1996
Domestic	$ 43,197	$ 36,099	$ 30,353
Foreign	2,989	2,588	2,818
Total	$ 46,186	$ 38,687	$ 33,171

The following table summarizes the provision for U.S. federal, state and foreign income taxes:

(In thousands)	1998	1997	1996
Current:			
U.S. federal	$ 12,214	$ 9,180	$ 9,383
State	2,754	1,794	1,971
Foreign	1,062	474	861
	$ 16,030	$ 11,448	$ 12,215
Deferred:			
U.S. federal	$ 274	$ 2,243	$ (240)
State	(424)	439	(30)
Foreign	17	51	(2)
	$ (133)	$ 2,733	$ (272)
Total provision	$ 15,897	$ 14,181	$ 11,943

Deferred tax liabilities/(assets) consist of the following at December 31:

(In thousands)	1998	1997
Current deferred tax assets:		
Marketing expenses, principally coupons	$ (7,198)	$ (6,953)
Reserves and other liabilities	(1,329)	(1,464)
Accounts receivable	(1,294)	(1,272)
Other	(714)	(113)
Total current deferred tax assets	(10,535)	(9,802)
Noncurrent deferred tax liabilities/(assets):		
Nonpension postretirement and postemployment benefits	(5,746)	(5,645)
Capitalization of items expensed	(3,117)	(1,977)
Foreign exchange translation adjustment	(305)	(230)
Valuation allowance	305	230
Depreciation and amortization	29,443	27,354
Other	598	846
Net noncurrent deferred tax liabilities	21,178	20,578
Net deferred tax liability	$ 10,643	$ 10,776

The difference between tax expense and the "expected" tax which would result from the use of the federal statutory rate is as follows:

(In thousands)	1998	1997	1996
Statutory rate	35%	35%	35%
Tax which would result from use of the federal statutory rate	$ 16,165	$ 13,540	$ 11,610
Depletion	(490)	(473)	(481)
Research & development credit	(200)	(200)	--
State and local income tax, net of federal effect	1,515	1,451	662
Varying tax rates of foreign affiliates	142	151	(34)
Non-recognition of foreign affiliate loss	--	193	133
Recognition of foreign affiliate losses	(996)	(416)	(253)
Other	(239)	(65)	306

	(268)	641	333
Recorded tax expense	$ 15,897	$ 14,181	$ 11,943
Effective tax rate	34.4%	36.7%	36.0%

11. stock option plans

The Company has options outstanding under three plans. Under the 1983 Stock Option Plan and the 1994 Incentive Stock Option Plan, the Company may grant options to key management employees. The Stock Option Plan for Directors authorizes the granting of options to non-employee directors. Options outstanding under the plans are issued at market value, are exercisable on the third anniversary of the date of grant, and must be exercised within ten years of the date of grant. In early 1998, the Company made a special option award to 31 executives and key managers. This award, amounting to approximately 222,000 shares, vests at various prices ranging from $36 to $50 a share. In the event the stock price does not achieve these levels, the options vest in seven years. A grand total of 3,500,000 shares of the Company's common stock is authorized for issuance for the exercise of stock options.

Stock option transactions for the three years ended December 31, 1998 were as follows:	Number of Shares	Weighted Avg. Exercise Price
Outstanding at January 1, 1996	1,596,032	$20.90
Grants	846,150	21.15
Exercised	58,500	15.29
Cancelled	99,000	22.73
Outstanding at December 31, 1996	2,284,682	21.06
Grants	57,773	25.15
Exercised	101,400	16.80
Cancelled	49,600	20.78
Outstanding at December 31, 1997	2,191,455	21.37
Grants	573,700	27.51
Exercised	214,000	17.63
Cancelled	32,950	25.98
Outstanding at December 31, 1998	2,518,205	23.04

At December 31, 1998, 1997 and 1996, 1,128,432 options, 1,240,532 options and 711,532 options were exercisable.

The table below summarizes information relating to options outstanding and exercisable at December 31, 1998.

Options Outstanding				Options Exercisable	
Exercise Prices	Options Outstanding	Weighted Average Exercise Price	Weighted Avg. Remaining Contractural Life	Options Exerciseable	Weighted Average Exercise Price
$13.00 - $15.00	51,400	$13.00	.5 years	51,400	$13.00
$15.01 - $20.00	450,332	17.51	4.7	450,332	17.51
$20.01 - $25.00	1,080,873	21.54	7.0	270,100	22.32
$25.01 - $30.00	770,200	27.17	7.2	222,900	26.89
$30.01 - $32.25	165,400	31.81	5.3	133,700	32.11

The fair-value of options granted in 1998, 1997 and 1996 is $4,658,000, $372,000, and $4,706,000, respectively and the weighted average fair-value per share of options granted in 1998, 1997 and 1996 is $8.12, $6.44 and $5.56, respectively.

The fair-value of options granted in 1998, 1997 and 1996 is estimated on the date the options are granted based on the Black Scholes option-pricing model with the following weighted-average assumptions:

	1998	1997	1996
Risk-free interest rate	5.7%	6.5%	6.3%
Expected life	6.1 years	4.5 years	6.0 years
Expected volatility	25.6%	23.1%	22.7%
Dividend yield	1.8%	1.7%	2.1%

The Company accounts for costs of stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," rather than the fair-value based method in Statement of Financial Accounting Standards No. 123 (SFAS 123), "Accounting for Stock-Based Compensation." No compensation cost has been recognized for the Company's stock option plans. Had compensation cost been determined based on the fair values of the stock options at the date of grant in accordance with SFAS 123, the Company would have recognized additional compensation expense, net of taxes, of $1,831,000, $1,113,000 and $488,000 for 1998, 1997 and 1996, respectively. The Company's pro forma net income and pro forma net income per share for 1998, 1997 and 1996 would have been as follows:

(In thousands, except for per share data)

Net Income	1998	1997	1996
As reported	$30,289	$24,506	$21,228
Pro forma	28,458	23,393	20,740
Net Income per Share: basic			
As reported	$ 1.56	$ 1.26	$ 1.09
Pro forma	1.47	1.20	1.06
Net Income per Share: diluted			
As reported	$ 1.51	$ 1.23	$ 1.08
Pro forma	1.42	1.17	1.05

Since compensation expense associated with option grants is recognized over the vesting period, the initial impact of applying SFAS No. 123 on pro forma disclosure is not representative of the potential impact on pro forma net income for future years, when the effect of the recognition of a portion of compensation expense from multiple awards would be reflected.

12. plant shutdown

During the 4th quarter of 1998, the Company ceased operation of its sodium bicarbonate facility in Venezuela. The write-off, consisting primarily of property, plant, equipment and inventory, amounted to a pre-tax charge of $2,766,000. This charge also includes approximately $200,000 of severance and related costs, and the ending liability at December 31, 1998 was insignificant. Partially offsetting this were related tax loss benefits, which reduced the net charge to approximately $600,000 or $0.03 per diluted share.

13. subsequent events

In January 1999, the Company announced:

a. The sale of most of the Company's trona mineral leases in Wyoming, for an amount which results in a gain of approximately $11,000,000. The Company retains adequate trona reserves to support the sodium bicarbonate business and may acquire other reserves in the future as the need arises.

b. The sale of the equipment portion of ARMEX Cleaning and Coating Removal Systems for approximately $1.5 million, which is slightly more than book value.

c. The formation of a joint venture with the Safety-Kleen Corp. called the ArmaKleen Company. This venture, in which the Company has a 50% interest, will distribute the Company's proprietary product line of aqueous cleaners.

d. The relocation of the Company's dentifrice manufacturing and packaging equipment from its Greenville, South Carolina, facility to its Lakewood, New Jersey, facility. The Greenville plant will close most likely in late 1999.

e. A plan to invest approximately $6,000,000 to modernize and upgrade the powder laundry detergent facility at Green River, Wyoming. Once complete, most likely in late 1999, all powder detergent production will occur at Green River.

The Company expects these moves to be cash positive and to generate a one-time gain in 1999. This represents the gain from the sale of the trona reserves, to be partially offset by plant shutdown, relocation and other costs.

14. common stock voting rights and rights agreement

Effective February 19, 1986, the Company's Restated Certificate of Incorporation was amended to provide that every share of Company common stock is entitled to four votes per share if it has been beneficially owned continuously by the same holder (1) for a period of 48 consecutive months preceding the record date for the Stockholders' Meeting; or (2) since February 19, 1986. All other shares carry one vote. Specific provisions for the determination of beneficial ownership and the voting of rights of the Company's common stock are contained in the Company's Notice of Annual Meeting of Stockholders and Proxy Statement.

On April 26, 1989, the Board of Directors declared a dividend of one right for each share of outstanding common stock to be issued to stockholders of record on May 17, 1989, which will expire in ten years subject to earlier redemption by the Company. Under certain circumstances, the registered holder of each right would be entitled to purchase one one-hundredth of a share of the Junior Participating Cumulative Preferred Stock of the Company, or in certain circumstances either Company common stock or common stock of an acquiring company at one-half the market price.

15. commitments and contingencies

a. Rent expense amounted to $2,821,000 in 1998, $2,890,000 in 1997 and $3,066,000 in 1996. The Company is obligated for minimum annual rentals under non-cancellable long-term operating leases as follows:

(In thousands)

	1999	$ 2,850
	2000	2,246
	2001	1,935
	2002	1,233
	2003	60
Total future minimum lease commitments		$ 8,324

b. In December 1981, the Company formed a partnership with a supplier of raw materials which mines and processes sodium mineral deposits owned by each of the two companies in Wyoming. The partnership supplies the Company with the majority of its sodium raw material requirements. This agreement terminates upon two years' written notice by either company.

c. The Company, in the ordinary course of its business, is the subject of, or party to, various pending or threatened legal actions. The Company believes that any ultimate liability arising from these actions will not have a material adverse effect on its financial position or results of operation.

16. segments

Segment Information

The Company has adopted Statement of Financial Accounting Standards No. 131 "Disclosure about Segments of an Enterprise and Related Information."

The Company has two operating segments: Consumer Products and Specialty Products. The Consumer Products segment comprises packaged goods primarily sold to retailers. The Specialty Products segment includes chemicals sold primarily to industrial and agricultural markets. The Armand Products Company is part of the Specialty Products segment.

Measurement of Segment Results and Assets

The accounting policies of the segments are generally the same as those described in the summary of significant accounting policies with the exception of:

a. The Company's portion of the Armand Products joint venture is consolidated into the Specialty Products segment results and assets. Furthermore, it is not accounted for by the equity method.

b. The administrative costs of the production planning and logistics functions are included in segment SG&A expenses, but are elements of cost of goods sold in the Company's Consolidated Statement of Income.

The Company evaluates performance based on operating profit. There are no intersegment sales.

Factors used to Identify Segments

The Company's segments are strategic business units with distinct differences in product application and customer base. They are managed by separate sales and marketing organizations.

	Consumer	Specialty	Armand Products	(3) (4) Corporate	(5) Adjustments	Total
Net Sales						
1998	$560,201	$144,065	$(19,873)	--	--	$684,393
1997	458,978	136,363	(20,435)	--	--	574,906
1996	417,605	129,789	(19,623)	--	--	527,771
Gross Profit						
1998	266,685	52,695	(6,673)	--	(6,918)	305,789
1997	222,068	51,263	(7,025)	--	(6,221)	260,085
1996	203,826	46,898	(6,481)	--	(4,767)	239,476
Advertising, Consumer and Trade Promotion Expenses						
1998	179,173	3,098	(65)	--	--	182,206
1997	145,065	3,270	(81)	--	--	148,254
1996	133,323	3,065	(80)	--	--	136,308
Selling, General and Administrative Expenses						
1998	60,495	29,292	(1,188)	143	(6,918)	81,824
1997	55,445	31,782	(1,258)	1,527	(6,221)	81,275
1996	47,152	29,651	(1,321)	5,190	(4,767)	75,905
Operating Profit						
1998	30,517(1)	20,305	(5,420)	(143)	(2,766)	42,493
1997	21,558	16,211	(5,686)	(1,527)	--	30,556
1996	23,351	14,182	(5,080)	(5,190)	--	27,263
Identifiable Assets (2)						
1998	251,528	117,239	(1,367)	24,038	--	391,438
1997	214,570	114,874	(1,612)	23,182	--	351,014
1996	168,400	106,484	(1,496)	34,583	--	307,971
Capital Expenditures						
1998	27,010	10,247	(1,120)	--	--	36,137
1997	6,829	3,773	(684)	--	--	9,918
1996	4,478	3,212	(594)	18	--	7,114
Depreciation and Amortization						
1998	10,919	7,138	(1,557)	3	--	16,503
1997	9,157	6,468	(1,470)	3	--	14,158
1996	8,528	6,886	(1,790)	--	--	13,624

(1) Included in the 1998 operating profit of the Consumer Products segment is a one-time gain of $3,500,000 relating to the sale of technology. (2) The Specialty Products segment's identifiable assets include equity of investments in affiliates in the amounts of $27,751,000, $26,871,000 and $16,211,000 for 1998, 1997 and 1996, respectively. (3) Corporate selling, general and administrative expenses include certain research & development and general and administrative costs that are not allocated to segments. (4) Corporate assets include excess cash and investments not used for segment operating needs and deferred income taxes. (5) Adjustments reflect reclassification of production planning and logistics administrative costs between gross profit and SG&A expenses; and in 1998, the plant shutdown charge.

Product line net sales data is as follows:

	Laundry and Household Cleaners	Oral and Personal Care	Deodorizing	Specialty Chemicals	Animal Nutrition	Specialty Cleaners	Total
1998	262,329	157,248	140,624	61,145	50,793	12,254	684,393
1997	214,588	141,770	102,620	61,021	43,332	11,575	574,906
1996	174,385	144,335	98,885	63,023	37,484	9,659	527,771

Geographic Information

For the years 1998, 1997 and 1996, approximately 91% of the Company's net sales were to customers in the United States, and approximately 95% of long-lived assets were located in the U.S.

Customers

A group of three Consumer Products customers accounted for approximately 16% of consolidated net sales in 1998, including a single customer which accounted for approximately 11%. This group of customers accounted for approximately 16% of consolidated net sales in 1997 and 14% in 1996.

17. unaudited quarterly financial information

(In thousands, except for per share data)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
1998					
Net sales	$152,011	$173,534	$176,827	$182,021	$684,393
Gross profit	67,618	78,590	79,163	80,418	305,789
Income from operations	8,454	11,337	12,021	10,681	42,493
Equity in earnings of affiliates	1,224	1,739	1,207	1,106	5,276
Net income	5,896	7,873	7,834	8,686	30,289
Net income per share - basic	$ .30	$ .41	$ .40	$ .45	$ 1.56
Net income per share - diluted	$ .30	$ .39	$ .39	$ .43	$ 1.51
1997					
Net sales	$129,621	$141,850	$146,328	$157,107	$574,906
Gross profit	58,248	64,851	66,669	70,317	260,085
Income from operations	6,180	8,550	9,303	6,523	30,556
Equity in earnings of affiliates	1,416	1,594	1,242	1,805	6,057
Net income	5,227	7,280	6,427	5,572	24,506
Net income per share - basic	$ .27	$ .37	$ .33	$ .29	$ 1.26
Net income per share - diluted	$ .26	$ .37	$ .32	$ .28	$ 1.23
1996					
Net sales	$121,548	$134,627	$137,090	$134,506	$527,771
Gross profit	55,502	61,891	62,984	59,099	239,476
Income from operations	4,730	8,484	7,030	7,019	27,263
Equity in earnings of affiliates	1,272	1,310	1,061	1,497	5,140
Net income	3,848	6,131	5,198	6,051	21,228
Net income per share - basic	$ .20	$ .31	$ .27	$ .31	$ 1.09
Net income per share - diluted	$ .20	$ .31	$ .26	$ .31	$ 1.08

independent auditors' report
- --

To the Stockholders and Board of Directors of
Church & Dwight Co., Inc.
Princeton, New Jersey

We have audited the accompanying consolidated balance sheets of Church & Dwight Co., Inc., and subsidiaries (the Company) as of December 31, 1998 and 1997, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 1998 and 1997, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles.

As discussed in Note 1 to the consolidated financial statements, in 1998 the Company changed its method of accounting for internal-use software development costs to conform with Statement of Position 98-1.

/s/ Deloitte & Touche LLP

Deloitte & Touche LLP
Parsippany, New Jersey
January 27, 1999

D I R E C T O R S

Cyril C. Baldwin, Jr.
Chairman of the Board
Cambrex Corporation
Director since 1983

William R. Becklean
Senior Vice President
Tucker Anthony, Inc.
Director since 1980

Robert H. Beeby
Retired President and
Chief Executive Officer
Frito-Lay, Inc.
Director since 1992

Robert A. Davies, III
President and
Chief Executive Officer
Church & Dwight Co., Inc.
Director since 1995

Rosina B. Dixon, M.D.
Physician and Consultant
Director since 1979

J. Richard Leaman, Jr.
Retired President and
Chief Executive Officer
S. D. Warren Company
Director since 1985

Robert D. LeBlanc
President and
Chief Executive Officer
Handy & Harman
Director since 1998

John D. Leggett III, Ph.D.
President
Sensor Instruments Co., Inc.
Director since 1979

John F. Maypole
Managing Partner
Peach State Real Estate
Holding Co.
Director since 1999

Robert A. McCabe
Chairman
Pilot Capital Corporation
Director since 1987

Dwight C. Minton
Chairman of the Board

Church & Dwight Co., Inc.
Director since 1965

Dean P. Phypers
Retired Senior Vice President
International Business
Machines Corporation
Director since 1974

John O. Whitney
Professor and Executive Director
The Deming Center for Quality Management
Columbia Business School
Director since 1992

E L E C T E D O F F I C E R S

Robert A. Davies, III
President and
Chief Executive Officer

Raymond L. Bendure, Ph.D.
Vice President
Research & Development

Mark A. Bilawsky
Vice President,
General Counsel and Secretary

Mark G. Conish
Vice President
Manufacturing and Distribution

James P. Crilly
Senior Vice President
Arm & Hammer Division

Zvi Eiref
Vice President Finance and
Chief Financial Officer

Dennis M. Moore
Vice President
Corporate Business Development/
Arm & Hammer International

Eugene F. Wilcauskas
President and
Chief Operating Officer
Specialty Products Division

Principal Accounting Officers

Gary P. Halker
Vice President, Controller and
Chief Information Officer

Steven J. Katz
Assistant Controller

I N V E S T O R I N F O R M A T I O N

Corporate Headquarters

Church & Dwight Co., Inc.
469 North Harrison Street
Princeton, NJ 08543-5297
(609) 683-5900

Independent Auditors
Deloitte & Touche LLP
2 Hilton Court
Parsippany, NJ 07054

Transfer Agent and Registrar
ChaseMellon
Shareholder Services, LLC
85 Challenger Road
Ridgefield Park, NJ 07660
www.chasemellon.com

The Annual Meeting of Stockholders will be held at:
11:00 a.m. Thursday,
May 6, 1999
The Asia Society
725 Park Avenue
New York City.

Stock Listing
Church & Dwight Co., Inc.
shares are listed on the
New York Stock Exchange.
The symbol is CHD.

10-K Report
Stockholders may obtain a copy of the Company's Form 10-K Annual Report to the Securities and Exchange Commission, for the year ended December 31, 1998 by writing to the Vice President Finance at Corporate Headquarters.

Quarterly Reports
Church & Dwight Co., Inc. mails quarterly reports to stockholders of record and to other persons who request copies. If your shares are not registered in your name but are held at a broker, bank or other intermediary, you can receive quarterly reports if you send a written request and provide your name and address to:

Church & Dwight Co., Inc.
c/o ChaseMellon
Shareholder Services, LLC
P.O. Box 3316
South Hackensack, NJ 07606

Stockholder Inquiries
Communications concerning stockholder records, stock transfer, changes of ownership, account consolidations, dividends and change of address should be directed to:

Church & Dwight Co., Inc.
c/o ChaseMellon
Shareholder Services, LLC
P.O. Box 3315
South Hackensack, NJ 07606
1-800-851-9677

Dividend Reinvestment Plan
Church & Dwight Co., Inc. offers an automatic Dividend Reinvestment Plan for our Common Stockholders. The Plan provides a convenient and economical method for stockholders of record to reinvest their dividends automatically or make optional cash payments toward the purchase of additional shares without paying brokerage commissions or bank service charges.

For details, contact:

Church & Dwight Co., Inc.
Dividend Reinvestment Plan
c/o ChaseMellon
Shareholder Services, LLC
P.O. Box 3338
South Hackensack, NJ 07606
1-800-851-9677

On the Internet
Church & Dwight financial
news releases are accessible at
www.businesswire.com
Consumer Products information:
www.armhammer.com
Specialty Products information:
www.ahspecialty.com

A corporate webpage, www.churchdwight.com will soon be available for investor relations.

Cautionary Note on Forward-Looking Statements
This Annual Report contains forward-looking statements relating, among others, to financial objectives, sales growth and cost reduction programs. Many of these statements depend on factors outside the Company's control, such as economic conditions, market growth and consumer demand, competitive products and pricing, raw material costs and other matters. With regard to new product introductions, there is particular uncertainty related to trade, competitive and consumer reactions. There is also significant uncertainty in 1999 relating to the Y2K computer problem, including its effect on customers and suppliers. If the Company's assumptions are incorrect, or there is a significant change in some of these key factors, the Company's performance could vary materially from the forward-looking statements in this Report.

Church & Dwight Co., Inc. is an equal opportunity employer. The Company conducts its business without regard to race, color, age, religion, sex, national origin or handicap.

[LOGO] Recycled Paper Design: De Plano Group, New York Product Photography: Bob Cato

CHURCH & DWIGHT CO., INC. [LOGO](R)
469 NORTH HARRISON STREET
PRINCETON, NJ 08543-5297

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
EXHIBIT 21
LIST OF THE COMPANY'S SUBSIDIARIES

1) Church & Dwight Ltd./Ltee
   Incorporated in Canada

2) C & D Chemical Products, Inc.
   Incorporated in the State of Delaware,
   D/B/A Armand Products Company, a Partnership

3) DeWitt International Corporation
   Incorporated in the State of Delaware

4) Brotherton Speciality Products Ltd.
   Incorporated in the United Kingdom

5) Industrias Bicarbon De Venezuela, S.A. - Ceased operation December 1998

6) Quimica Geral do Nordeste S.A. (QGN)
   Incorporated in Brazil (40% Interest)

The Company's remaining subsidiaries, if considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary as of December 31, 1998.

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in Registration Statements No. 33-60149, 33-60147, 33-24553, 33-6150 and 33-44881 on Form S-8 of our reports dated January 27, 1999 (which express an unqualified opinion and which report on the financial statements includes an explanatory paragraph relating to the Company changing its method of accounting for internal-use software development costs as described in Note 1) included or incorporated by reference in the Annual Report on Form 10-K of Church & Dwight Co., Inc. for the year ended December 31, 1998.

Deloitte & Touche LLP
Parsippany, New Jersey
March 26, 1999

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