

COLGATE PALMOLIVE CO
Form 8-K
May 20, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported)

May 18, 2005

COLGATE-PALMOLIVE COMPANY

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction

of Incorporation)

1-644-2
(Commission File Number)

13-1815595
(IRS Employer

Identification No.)

300 Park Avenue, New York, NY
(Address of Principal Executive Offices)

10022
(Zip Code)

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Registrant's telephone number, including area code (212) 310-2000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.05. Costs Associated with Exit or Disposal Activities.

On May 18, 2005, Colgate-Palmolive Company (the Company) announced its intention to make the following change in its European manufacturing network to increase efficiency and competitiveness, as part of the previously disclosed four-year restructuring and business-building program (the Restructuring Program) described in the Company's Form 8-K filed December 10, 2004. The implementation of this project, which is described in more detail below, is subject to appropriate consultation and negotiation with certain unions and works councils, representatives of which have been notified by the Company.

The Company plans to consolidate toothpaste production in Europe, which is currently located at four company sites, into a new greenfield plant, facilitating further investment in state-of-the-art high-speed manufacturing equipment and improved customer service. Upon completion of the consolidation project over two years, toothpaste manufacturing is expected to cease at the Company's facilities in Salford, United Kingdom, Anzio, Italy, Brasov, Romania and Gebze, Turkey. Other manufacturing activities will continue at these sites, except the Salford facility, which is expected to be closed.

Upon successful implementation, this project is projected to result in total charges of approximately \$85 million after tax. Components of these charges include approximately \$45 million after tax in asset-related costs, primarily accelerated depreciation, approximately \$25 million after tax in employee-related costs, including severance, pension and other termination benefits, which amount is subject to negotiation with the appropriate unions and works councils, and approximately \$15 million after tax in other associated costs. Approximately 40 to 50% of the total charges associated with this project is expected to result in future cash expenditures.

As previously disclosed, the total cost of implementing the overall Restructuring Program, including the project described above, is projected to be between \$550 million and \$650 million after tax once all phases are approved and implemented, with savings projected to be in the range of \$250 million and \$300 million annually after tax by the fourth year of the program.

This periodic report on Form 8-K may contain forward-looking statements. Actual events or results may differ materially from those statements. For information about factors that could cause such differences, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2004, including information set forth under the caption Cautionary Statement on Forward-Looking Statements.

SIGNATURE

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

COLGATE-PALMOLIVE COMPANY

Date: May 20, 2005

By: /s/ Stephen C. Patrick

Name: Stephen C. Patrick
Title: Chief Financial Officer