

COLGATE PALMOLIVE CO
Form 11-K
June 27, 2013

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

FORM 11-K
ANNUAL REPORT
PURSUANT TO SECTION 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2012

OR

TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE ACT OF
1934
For the transition period from _____ to _____.

Commission file number: 1-644

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COLGATE-PALMOLIVE COMPANY EMPLOYEES SAVINGS AND INVESTMENT PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

COLGATE-PALMOLIVE COMPANY

300 PARK AVENUE, NEW YORK, NY 10022

COLGATE-PALMOLIVE COMPANY
EMPLOYEES SAVINGS AND INVESTMENT PLAN
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Supplemental Schedule:	
Schedule of Assets (held at end of year)	Schedule H
All other schedules were omitted as they are not applicable or not required based on the disclosure requirements of the Employee Retirement Income Security Act of 1974, as amended and applicable regulations issued by the Department of Labor.	
Exhibit:	
23.1 Consent of Grant Thornton LLP	

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Relations Committee of the Colgate-Palmolive Company
Colgate-Palmolive Company Employees Savings and Investment Plan

We have audited the accompanying statements of net assets available for benefits of the Colgate-Palmolive Company Employees Savings and Investment Plan (the "Plan") as of December 31, 2012 and 2011, and the related statement of changes in net assets available for benefits for the year ended December 31, 2012. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Colgate-Palmolive Company Employees Savings and Investment Plan as of December 31, 2012 and 2011, and the changes in net assets available for benefits for the year ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP
New York, New York
June 27, 2013

COLGATE-PALMOLIVE COMPANY
 EMPLOYEES SAVINGS AND INVESTMENT PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
 AS OF DECEMBER 31, 2012 AND 2011
 (Dollars in thousands)

	2012	2011
Assets		
Cash	\$6,895	\$20,576
Investments at fair value	2,748,889	2,546,612
Receivables:		
Participant contributions receivable	1,528	1,483
Notes receivable from participants	16,604	16,992
Total receivables	18,132	18,475
Total assets	2,773,916	2,585,663
Liabilities		
Due to brokers for securities purchased	1,432	202
Long-term notes payable to Colgate-Palmolive Company	41,325	60,144
Accrued interest on notes payable	1,195	1,757
Total liabilities	43,952	62,103
Net assets available for benefits at fair value	2,729,964	2,523,560
Adjustments from fair value to contract value relating to fully benefit-responsive investment contracts	(13,068)	(12,012)
Net assets available for benefits	\$2,716,896	\$2,511,548

The accompanying notes are an integral part of these financial statements.

COLGATE-PALMOLIVE COMPANY
 EMPLOYEES SAVINGS AND INVESTMENT PLAN
 STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
 FOR THE YEAR ENDED DECEMBER 31, 2012
 (Dollars in thousands)

Additions

Net investment income:		
Interest	\$5,256	
Dividends	55,204	
Appreciation in the fair value of investments, net	294,624	
Interest expense on notes payable	(2,390))
Net investment income	352,694	
Contributions:		
Employer contributions	—	
Participant contributions	43,806	
Total contributions	43,806	
Interest income on notes receivable from participants	580	
Total additions	397,080	

Deductions

Administrative expenses	(2,393))
Distributions to participants	(189,339))
Total deductions	(191,732))
Increase in net assets available for benefits	205,348	
Net assets available for benefits – beginning of year	2,511,548	
Net assets available for benefits – end of year	\$2,716,896	

The accompanying notes are an integral part of these financial statements.

COLGATE-PALMOLIVE COMPANY
 EMPLOYEES SAVINGS AND INVESTMENT PLAN
 NOTES TO FINANCIAL STATEMENTS
 (Dollars in thousands, except as indicated)

1. Description of the Plan

The Colgate-Palmolive Company Employees Savings and Investment Plan (the "Plan") is a defined contribution plan sponsored by Colgate-Palmolive Company (the "Company"). The Plan is subject to the reporting and disclosure requirements, participation and vesting standards, and fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). The Plan is also a leveraged employee stock ownership plan ("ESOP"). State Street Global Advisors (the "ESOP trustee"), a division of State Street Bank & Trust Company, is the trustee of Funds D and E (the "ESOP shares trust"). The Bank of New York Mellon is the trustee of the remaining funds.

The Plan offers programs which include an employer match, a success sharing program, a retirement contribution program, a bonus savings account program, an income savings account program and a retiree insurance program. The provisions below, applicable to the Plan participants, provide only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

Employees eligible to participate in the Plan must meet certain minimum hourly service requirements and be at least 18 years old. Effective September 1, 2010, the Company made several adjustments to its Retirement Program, including the following: (i) allocating a larger portion of the Company's retirement benefit allocations to the Plan, rather than the Company's Retirement Plan; (ii) new employees hired after June 1, 2010 are not eligible to participate in the Employees' Retirement Income Plan, but are eligible to participate in the Plan; (iii) employees are now eligible upon hire to participate in the Plan. These changes are designed to ensure that the Company continues to provide a level of benefits to employees, at a cost to the Company of providing such benefits, targeted at the median level for similar programs at peer companies.

As of December 31, 2012, the Plan maintained the following funds:

Name of Fund	Description of the type of investment
Short Term Fixed Income Fund	Guaranteed investment contracts and cash reserve funds
Colgate Common Stock Fund (Fund B)	Colgate-Palmolive Company Common Stock and cash reserve funds
Colgate Employer Common Stock Fund (Fund D)	Colgate-Palmolive Company Employer Common Stock (the ESOP shares trust)
Colgate Common Stock Fund (Fund E)	Colgate-Palmolive Company Common Stock (the ESOP shares trust)
Vanguard Wellington Fund	Common stocks and fixed income securities
Vanguard Institutional Index Fund (Admiral shares)	Equity securities included in the S&P 500 Index in similar proportion
American Funds EuroPacific Growth Fund	Primarily equity securities of companies outside the U.S., in Europe and the Asia/Pacific region
Western Asset Core Plus Fixed Income Fund	Diversified debt portfolio of U.S. government, corporate, mortgage and asset-backed securities
Neuberger Berman Genesis Fund	Primarily common stocks of small capitalization companies (total market value of no more than \$2 billion at the time the fund first invests in them)
Wells Fargo Advantage Opportunities Fund	Primarily common stocks of companies with capitalizations (at the time of acquisition) in the range of companies included in the

T. Rowe Price Growth Stock Fund	Russell MidCap Index Normally invests in the common stock of a diversified group of growth companies with an above-average rate of earnings growth Primarily invests in dividend paying value stocks of large capitalization companies, which have market capitalizations equal to or greater than the median capitalization of companies included in the Russell 1000 Value Index
Eaton Vance Large Cap Value Fund	
BlackRock LifePath Funds	Primarily invests in a mix of stocks and fixed income funds

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ESOP

In accordance with the terms of the Plan, on June 19, 1989, the Plan issued \$410,030 of long-term notes due through July 2009. The Plan used the proceeds of the notes to purchase 6,315,149 shares of the Company's Series B Convertible Preference Stock ("Preference stock") from the Company. These notes, which were guaranteed by the Company, were repaid in July 2009. The Preference stock, each share of which was convertible into eight shares of common stock at the discretion of the ESOP trustee, had a redemption price of \$65 dollars per share and paid semi-annual dividends equal to the higher of \$2.44 dollars or the current dividend paid on eight common shares for the comparable six-month period. All Preference stock was converted into the Company's common stock or redeemed in cash upon reallocation to other funds or withdrawal from the Plan.

As a result of rules issued by the Internal Revenue Service related to employer stock held in defined contribution plans, the Company issued a notice of redemption with respect to the remaining 2,405,192 shares of Preference stock outstanding on December 29, 2010. At the direction of the Company's ESOP trustee, the shares of Preference stock were converted into 19,241,536 shares of common stock. Additionally, the Colgate Preferred Stock Fund (Fund D) was renamed the Colgate Employer Common Stock Fund (Fund D).

As a means of extending the benefits of the ESOP to participants over a longer period, the ESOP shares trust and the Company entered into a loan agreement in June 2000 under which the Company was permitted to loan up to \$300,000 through 2009 to the ESOP with repayment scheduled no later than December 31, 2035. Repayments of principal and interest are funded through future contributions and dividends from the Company. The Company did not make any contributions to the ESOP shares trust during 2012. The Company has guaranteed minimum funding of \$130,000, on a present value basis, in excess of debt service requirements. As of December 31, 2012 and 2011, the ESOP shares trust had outstanding borrowings from the Company of \$41,325 and \$60,144, respectively, bearing an average interest rate of 5.77% and 5.84%, respectively. The fair value of the outstanding notes payable to the Company was estimated at approximately \$67 million and \$98 million as of December 31, 2012 and 2011, respectively based on current interest rates for debt with similar maturities.

Dividends from common stock, together with cash contributions and advances from the Company, were used by the ESOP trustee to repay principal and interest on the long-term notes*. Dividends were also used to fund basic and additional basic retirement contributions**.

A portion of the Employer Common Stock Fund D shares are released for allocation to participants semi-annually based on the ratio of debt service for the period to total debt service over the remaining scheduled life of all ESOP debt. As of December 31, 2012, 9,635,421 common shares (valued at \$1,007,287) were released and allocated to participant accounts and the balance of 5,975,227 common shares (valued at \$624,650) were available for future allocation to participant accounts. As of December 31, 2011, 10,304,813 common shares (valued at \$952,062) were released and allocated to participant accounts and the balance of 6,797,192 common shares (valued at \$627,992) were available for future allocation to participant accounts. The ESOP released shares are allocated to fund the employer portion of all the Plan programs in the following manner:

- (1) Pursuant to the Company's matching contribution under the Savings Program,
- (2) Pursuant to the Basic Retirement Contribution Program**,
- (3) Pursuant to the Additional Basic Retirement Contribution Program**,
- (4) Pursuant to the Bonus Savings Account Program and the Income Savings Account Program,

- (5) Pursuant to the Retiree Insurance Program ***
- (6) As Supplemental Contribution Allocations, and
- (7) Pursuant to the Success Sharing Program.

* The February 2012 dividends on ESOP shares not yet allocated to participant accounts and on ESOP shares allocated to participant accounts were used to repay principal and interest on fund basic and additional basic retirement contributions. Beginning with the May 2012 dividends, only those dividends on ESOP shares not yet allocated to participant accounts were used for these purposes; dividends on ESOP shares allocated to participant accounts were reinvested in shares of stock in Colgate Common Stock Fund B.

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** Basic and additional basic retirement contributions were made from ESOP released shares and from dividends as noted above.

*** Under the revised Retirement Program, effective September 1, 2010, the Company no longer makes allocations into a Retiree Insurance Program unless the employee is a member of one of the Hill's Pet Nutrition, Inc. participating unions.

Savings Program

Participant Contributions

Under the Savings Program, employees generally can contribute to the Plan between 1% and 25% of their recognized earnings (the greater of total compensation paid during the previous calendar year minus items such as reimbursement of moving expenses and special awards, or regular salary as of the most recent January 1, plus commissions and bonuses paid in the prior year). Employees who are not "highly compensated", as defined by the Internal Revenue Code ("IRC"), may contribute any combination up to 25% of their recognized earnings on either a before-tax (subject to certain IRC limitations) or after-tax basis. Employees who are highly compensated may contribute as follows: those employees whose 2012 recognized earnings were less than \$139.9 were limited to 16% of their recognized earnings, those employees whose 2012 recognized earnings were between \$140.0 and \$249.9 were limited to 12% of their recognized earnings and those employees whose 2012 recognized earnings equaled or exceeded \$250.0 were limited to 8% of their recognized earnings. Participants may suspend or resume contributions, change their contribution rate and the allocation of their contributions between before-tax and after-tax earnings on a daily basis. Plan participants are always fully vested in their contributions and related investment earnings. Under the IRC, the maximum allowable pre-tax contribution for participants was \$17.0 and \$16.5 for 2012 and 2011, respectively. Participants who are expected to reach or are over the age of 50 during the Plan year and are making the maximum contribution are eligible to make additional catch-up contributions. Under the Internal Revenue Code, the maximum allowable catch-up contribution was \$5.5 for both 2012 and 2011, on a pre-tax basis.

Employees may direct the investment of participant contributions to any of the Plan's investment funds, other than Funds D and E, and may change how these contributions will be invested when allocated on a daily basis. Participants may, on a daily basis, diversify or transfer their participant account balances among any of the investment funds in the Plan other than Funds D and E.

Company Matching Contributions

The Company and wholly-owned subsidiaries to which the Plan has been extended, make matching contributions of 50% to 75% of employee contributions up to 6% of recognized earnings, depending on years of service, collective bargaining agreements, and participation status in the Employees' Retirement Income Plan. Company matching contributions for employees participating in the Savings Program are made in the form of common stock to Fund D and are diversifiable, on a daily basis, immediately upon allocation, among any of the investment funds in the Plan other than Funds D and E. Participants are 50% vested in their Company matching contribution accounts after two years of service and fully vested after three years of service or, if while active, they reach age 55, become permanently disabled, die, or in the event of Plan termination.

Incoming Rollovers

The Plan permits incoming rollovers of before-tax money from Section 403(b) plans and governmental Section 457 plans, as well as both before-tax and after-tax money from other companies' qualified plans. Participants may direct the investment of an incoming rollover to any of the Plan's investment funds, other than Funds D and E. Participants may, on a daily basis, diversify or transfer their rollover balances among any of the investment funds in the Plan other than Funds D and E.

Company Retirement Contributions Program

Effective September 1, 2010 the Company began allocating retirement contributions in the form of basic and additional basic retirement contributions equal to 2% up to 7% of employee's recognized earnings depending upon years of service in

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lieu of pension credits. Employees who participate in the Employees' Retirement Income Plan under the pre-July 1, 1989 plan formula and employees of Hill's Pet Nutrition, Inc. that are covered by a collective bargaining agreement are not eligible for these Company retirement contributions. Participating employees may direct the investment of Company retirement contributions to be allocated among any of the Plan's investment funds, other than Funds D and E. These Company retirement contributions are diversifiable, on a daily basis, immediately upon allocation, among any of the investment funds in the Plan other than Funds D and E. Participants are 50% vested in their account after two years of service and fully vested after three years of service, or if while active, they reach age 55, become permanently disabled, die, or in the event of Plan termination.

Success Sharing Program

The Success Sharing Program is designed to enable the Company to share its financial success with employees. Under the Success Sharing Program, a Success Sharing Account ("SSA") has been established within the Plan for each eligible employee. As the Company meets or exceeds annual financial targets, shares of common stock are allocated to employee accounts according to a pre-determined formula. To be eligible, an individual generally must be employed by the Company on a full-time basis, be at least 18 years old and be on the payroll from at least June 30 through the last day of the year. Part-time employees with benefits are also eligible. Employees are at all times fully vested in the value of their SSA. Any allocation is initially credited to Fund D. Participants may, on a daily basis, immediately upon allocation, diversify their SSA among any of the Plan's investment funds other than Funds D and E.

Bonus Savings Account Program

The Bonus Savings Account ("BSA") Program is designed to enable each eligible employee to receive an allocation representing all or a portion of his/her bonus in common stock. Under this program, a BSA allocation is credited to each eligible employee's BSA established within the Plan. The portion of an employee's bonus that can be allocated within the BSA program is determined based on the bonus amount earned, the total number of shares of common stock available for allocation, and other factors such as an employee's income level and Internal Revenue Service ("IRS") rules. This program is generally available to all employees in the United States who are participants in the Plan. However, due to IRS restrictions, employees who have not been a participant in the Plan for at least two years are unable to participate in the program, and employees with fewer than five years of service may be ineligible to receive a BSA allocation with respect to certain bonus periods. Employees are at all times fully vested in the value of their BSA and may elect to withdraw the balance of this account from the Plan immediately or at a later date. Any allocation is initially credited to Fund D. BSA balances are diversifiable, on a daily basis, immediately upon allocation, among any of the investment funds in the Plan other than Funds D and E.

Income Savings Account Program

The Income Savings Account ("ISA") Program is designed to enable each eligible employee to receive an allocation representing a portion of his/her income in the form of common stock. Under this program, an ISA allocation of common stock is made each year to each eligible employee's ISA. This program is available to active full-time employees and part-time employees with benefits in the United States, with at least five years of service. Employees are at all times fully vested in the value of their ISA and may elect to withdraw the balance of this account from the Plan immediately or at a later date. Any allocation is initially credited to Fund D. ISA balances are diversifiable, on a daily basis, immediately upon allocation, among any of the investment funds in the Plan other than Funds D and E.

Retiree Insurance Program

The Retiree Insurance Program is designed to provide funds that can be used by employees to purchase health and life insurance upon retirement. Under the Retiree Insurance Program, a Retiree Insurance Account (“RIA”) has been established within the Plan for each eligible employee. Each year, shares from the Colgate Employer Common Stock Fund are allocated to each employee’s RIA. Under the revised Retirement Program, effective September 1, 2010, the Company no longer makes allocations into an RIA unless the participant is a member of one of the Hill’s Pet Nutrition, Inc. participating unions. Allocations are based upon the schedule that was in place as of the Plan year 2009. Participants are 50% vested in their RIA after two years of service and fully vested after three years of service, or if while active, reach age 55, become permanently disabled, die, or in the event of Plan termination. RIA allocations are made in the form of

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common stock to Fund D and are diversifiable, on a daily basis, immediately upon allocation, among any of the investment funds in the Plan other than Funds D and E. Employees are entitled to the value of the vested amount of their RIA upon resignation, termination or retirement.

Participant Accounts

Each participant account may be credited with the types of allocations described above as well as allocations of fund earnings or losses, and expenses. Allocations are based on participant earnings or account balances, as defined. Certain participant investment accounts are also charged with monthly investment service fees, depending on fund elections. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Distributions

Participating employees can receive a distribution from the Plan due to retirement, permanent disability, termination or death, or by voluntary partial withdrawal while active. Settlement is made in accordance with provisions of the Plan and the requirements of the IRC. Unvested Company matching contributions will be forfeited in the event of termination. A participant may withdraw his/her before-tax contributions only if, in the judgment of the Employee Relations Committee of the Company (the "Committee"), the withdrawal is due to financial hardship as defined in the Plan, or is within the administrative rules of the Committee and Federal tax laws.

Forfeitures

After the earlier of the distribution of the terminated participant's vested account balances or the fifth anniversary of the participant's termination, nonvested employer account balances are returned to the unallocated pool of Colgate common stock and become available to the Company to pay for administrative expenses incurred by the Plan and/or to reduce future Company matching contributions. Forfeitures for the year ended December 31, 2012 and 2011 totaled \$148 and \$84, respectively.

Notes Receivable From Participants

Participants who have \$1,000**** or more in the Plan may borrow from the total of their fund accounts, a minimum of \$500**** up to a maximum equal to the lesser of \$50,000**** (subject to certain offsets for prior loans) or 50% of their vested balance, subject to certain exclusions. Participants are allowed to have one ordinary loan and one loan related to the purchase of a principal residence, outstanding at any time. The loans are secured by the balance in the participant's account and bear a fixed rate of interest equal to the prime rate as listed in The Wall Street Journal on the first business day of the month in which the loan was requested. Principal and interest are paid ratably via payroll deductions. Loans outstanding at December 31, 2012 had interest rates ranging from 3.3% to 9.0% and maturities through 2027.

Plan Termination

Although the Company has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan at any time subject to the provisions of ERISA. In the event of termination of the Plan, the Committee shall compute the value of the accounts of the participants which shall be fully

vested and non-forfeitable. The accounts of each participant shall be distributed in a lump sum.

**** For purposes of this paragraph, dollar amounts are reported as actual dollars.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Distributions to participants are recorded when paid.

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