

LOGAN FORK COAL CO

Form S-3ASR

July 28, 2006

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As filed with the Securities and Exchange Commission on July 28, 2006

Registration No. 333-

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

Form S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Peabody Energy Corporation

(Exact name of Registrant as specified in its charter)

Delaware

*(State or Other jurisdiction of
Incorporation or Organization)*

1221

*(Primary Standard Industrial
Classification Code Number)*

13-4004153

*(I.R.S. Employer
Identification Number)*

701 Market Street

St. Louis, Missouri 63101-1826

(314) 342-3400

*(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)*

SEE TABLE OF ADDITIONAL REGISTRANTS

Jeffery L. Klinger, Esq.

Peabody Energy Corporation

701 Market Street

St. Louis, Missouri 63101-1826

(314) 342-3400

*(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)*

With a Copy to:

Risë B. Norman, Esq.

Simpson Thacher & Bartlett LLP

425 Lexington Avenue

New York, New York 10017

Approximate date of commencement of proposed sale of the Securities to the public: From time to time after the registration statement becomes effective.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: ☐

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, as amended (the "Securities Act") other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: ☐

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective

registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. p

If this form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. o

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered(1)(2)	Proposed Maximum Aggregate Offering Price per Security(1)(2)	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee(3)
Debt Securities of Peabody Energy Corporation				
Guarantees of Debt Securities by Subsidiary Guarantors				
Preferred Stock, par value \$0.01 per share				
Common Stock, par value \$0.01 per share				
Preferred Stock Purchase Rights(4)				
Warrants				
Units(5)				

(1) Not applicable pursuant to Form S-3 General Instruction II(E). An indeterminate aggregate initial offering price or number of the securities of each identified class (the Securities) is being registered as may from time to time be issued at indeterminate prices.

- (2) Includes such indeterminate amounts of Securities as may be issued upon exercise, conversion, or exchange of any Securities that provide for that issuance. Also includes such indeterminate amounts of Securities as may be issued in units. Separate consideration may or may not be received for any of these Securities.
- (3) Pursuant to Rules 456(b) and 457(r), the Registrants elect to defer payment of all of the registration fees, except for \$353,100, which has already been paid with respect to \$3,000,000,000 aggregate initial offering price of securities of the Registrants previously registered and remaining unissued under the Registration Statement on Form S-3 (No. 333-124749) of the Registrants filed on May 9, 2005. Pursuant

to Rule 457(p), such unutilized filing fee paid with respect to Registration Statement No. 333-124749 will be used to offset the registration fee payable with respect to the first \$3,000,000,000 aggregate initial offering price of Securities offered with respect to this Registration Statement. Any additional registration fees will be paid subsequently in advance or on a pay-as-you-go basis.

- (4) The preferred stock purchase rights initially will trade together with the common stock. The value attributable to the preferred stock purchase rights, if any, is reflected in the offering price of the common stock.
- (5) Each Unit consists of any combination of two or more of the securities being registered

hereby.

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number	Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices
Affinity Mining Company	West Virginia	25-1207512	202 Laidley Tower P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
American Land Development, LLC	Delaware	20-3405570	701 Market Street St. Louis, MO 63101 (314) 342-3400
American Land Holdings of Illinois, LLC	Delaware	43-1898527	701 Market Street Suite 974 St. Louis, MO 63101 (314) 342-3400
American Land Holdings of Indiana, LLC	Delaware	20-2514299	701 Market Street Suite 737 St. Louis, MO 63101 (314) 342-3400
American Land Holdings of Kentucky, LLC	Delaware	20-0766113	701 Market Street Suite 719 St. Louis, MO 63101 (314) 342-3400
Appalachia Mine Services, LLC	Delaware	20-1680233	202 Laidley Tower P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Arclar Company, LLC	Indiana	31-1566354	420 Long Lane Road Equality, IL 62934 (618) 273-4314
Arid Operations Inc.	Delaware	84-1199578	14062 Denver West Parkway Suite 110 Golden, CO 80401-3301 (760) 337-5552
Beaver Dam Coal Company	Delaware	61-0129825	701 Market Street Suite 725 St. Louis, MO 63101 (314) 342-3400
Big Ridge, Inc.	Illinois	37-1126950	420 Long Lane Road Equality, IL 62934 (618) 273-4314
Big Sky Coal Company	Delaware	81-0476071	P.O. Box 97 Colstrip, MT 59323 (406) 748-5750
Black Beauty Coal Company	Indiana	35-1799736	P.O. Box 312 Evansville, IN 47702

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Black Beauty Equipment Company	Indiana	35-1975683	(812) 424-9000 7100 Eagle Crest Blvd. Evansville, IN 47715
Black Beauty Holding Company, LLC	Delaware	73-1663373	(812) 434-8500 701 Market Street Suite 703 St. Louis, MO 63101 (314) 342-3400
Black Beauty Resources, LLC	Indiana	35-1471083	7100 Eagle Crest Blvd. Evansville, IN 47715
Black Hills Mining Company, LLC	Illinois	32-0049741	(812) 434-8500 701 Market Street, Suite 779 St. Louis, MO 63101 (314) 342-3400
Black Stallion Coal Company, LLC	Delaware	20-0657792	701 Market Street, Suite 778 St. Louis, MO 63101 (314) 342-3400
Black Walnut Coal Company	Delaware	68-0541705	701 Market Street Suite 777 St. Louis, MO 63101 (314) 342-3400
Bluegrass Mine Services, LLC	Delaware	43-1540253	701 Market Street Suite 710 St. Louis, MO 63101 (314) 342-3400
BTU Empire Corporation	Delaware	74-1869420	701 Market Street Suite 733 St. Louis, MO 63101 (314) 342-3400
BTU Western Resources, Inc.	Delaware	20-1019486	701 Market Street Suite 735 St. Louis, MO 63101 (314) 342-3400

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number	Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices
Caballo Coal Company	Delaware	83-0309633	1013 Boxelder Caller Box 3037 Gillette, WY 82717 (307) 687-6900
Central States Coal Reserves of Illinois, LLC	Delaware	43-1869432	701 Market Street Suite 973 St. Louis, MO 63101 (314) 342-3400
Central States Coal Reserves of Indiana, LLC	Delaware	20-3960696	701 Market Street Suite 983 St. Louis, MO 63101 (314) 342-3400
Central States Coal Reserves of Kentucky, LLC	Delaware	20-3960681	701 Market Street Suite 962 St. Louis, MO 63101 (314) 342-3400
Charles Coal Company, LLC	Delaware	04-2698757	202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Cleaton Coal Company	Delaware	43-1887526	701 Market Street Suite 705 St. Louis, MO 63101 (314) 342-3400
Coal Properties, LLC	Delaware	04-2702708	202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Coal Reserve Holding Limited Liability Company No. 1	Delaware	43-1922737	701 Market Street Suite 960 St. Louis, MO 63101 (314) 342-3400
Coal Reserve Holding Limited Liability Company No. 2	Delaware	43-1922735	701 Market Street Suite 961 St. Louis, MO 63101 (314) 342-3400
COALSALES, LLC	Delaware	20-1759740	701 Market Street Suite 831 St. Louis, MO 63101 (314) 342-3400
COALSALES II, LLC	Delaware	43-1610419	701 Market Street Suite 830 St. Louis, MO 63101

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COALTRADE International, LLC	Delaware	20-1435716	(314) 342-3400 701 Market Street Suite 836 St. Louis, MO 63101
COALTRADE, LLC	Delaware	43-1666743	(314) 342-3400 701 Market Street Suite 835 St. Louis, MO 63101
Colony Bay Coal Company	West Virginia	55-0604613	(314) 342-3400 202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324
Colorado Coal Resources, LLC	Delaware	20-2561644	(304) 344-0300 701 Market Street Suite 832 St. Louis, MO 63101
Colorado Yampa Coal Company	Delaware	95-3761211	(314) 342-3400 701 Market Street Suite 732 St. Louis, MO 63101
Cook Mountain Coal Company, LLC	Delaware	55-0732291	(314) 342-3400 202 Laidley Tower P.O. Box 1233 Charleston, WV 25324
Cottonwood Land Company	Delaware	43-1721982	(304) 344-0300 701 Market Street Suite 972 St. Louis, MO 63101
Coulterville Coal Company, LLC	Delaware	20-0217834	(314) 342-3400 701 Market Street Suite 723 St. Louis, MO 63101
Cyprus Creek Land Company	Delaware	73-1625890	(314) 342-3400 701 Market Street Suite 772 St. Louis, MO 63101
Cyprus Creek Land Resources, LLC	Delaware	75-3058264	(314) 342-3400 701 Market Street Suite 775 St. Louis, MO 63101
			(314) 342-3400

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number	Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices
Dixon Mining Company, LLC	Kentucky	62-1872287	435 Davis Mine Road Sturgis, KY 42459 (270) 333-5002
Dodge Hill Holding JV, LLC	Delaware	05-0575436	435 Davis Mine Road Sturgis, KY 42459 (270) 333-5002
Dodge Hill Mining Company, LLC	Kentucky	61-1378899	435 Davis Mine Road Sturgis, KY 42459 (270) 333-5002
Dodge Hill of Kentucky, LLC	Delaware	02-0697247	435 Davis Mine Road Sturgis, KY 42459 (270) 333-5002
Dyson Creek Coal Company, LLC	Delaware	43-1898526	701 Market Street Suite 952 St. Louis, MO 63101 (314) 342-3400
EACC Camps, Inc.	West Virginia	25-0600150	202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Eastern Associated Coal, LLC	West Virginia	25-1125516	202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Eastern Coal Company, LLC	Delaware	20-4099004	701 Market Street Suite 912 St. Louis, MO 63101 (314) 342-3400
Eastern Royalty Corp.	Delaware	04-2698759	202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Falcon Coal Company	Indiana	35-2006760	7100 Eagle Crest Blvd. Evansville, IN 47715 (812) 434-8500
Fort Energy, LLC	Delaware	20-4623308	701 Market Street St. Louis, MO 63101 (314) 342-3400
Gallo Finance Company	Delaware	43-1823616	701 Market Street Suite 713 St. Louis, MO 63101 (314) 342-3400
Gold Fields Chile, LLC	Delaware	13-3004607	

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			14062 Denver West Parkway Suite 110 Golden, CO 63102 (303) 271-3600
Gold Fields Mining, LLC	Delaware	36-2079582	14062 Denver West Parkway Suite 110 Golden, CO 63102 (303) 271-3600
Gold Fields Ortiz, LLC	Delaware	22-2204381	14062 Denver West Parkway Suite 110 Denver, CO 80401 (303) 271-3600
Grand Eagle Mining, Inc.	Kentucky	61-1250622	19070 Highway 1078 South Henderson, KY 42420 (502) 546-7926
Hayden Gulch Terminal, Inc.	Delaware	86-0719481	701 Market Street Suite 714 St. Louis, MO 63101 (314) 342-3400
Highland Mining Company, LLC	Delaware	43-1869675	701 Market Street Suite 724 St. Louis, MO 63101 (314) 342-3400
Highwall Mining Services Company	Delaware	20-0010659	701 Market Street Suite 805 St. Louis, MO 63101 (314) 342-3400
Hillside Mining Company	West Virginia	55-0695451	202 Laidley Tower Charleston, WV 25324 (304) 340-1830
HMC Mining, LLC	Delaware	43-1875853	701 Market Street Suite 911 St. Louis, MO 63101 (314) 342-3400
Independence Material Handling, LLC	Delaware	43-1750064	701 Market Street Suite 840 St. Louis, MO 63101 (314) 342-3400
Indian Hill Company	Delaware	20-0066123	701 Market Street Suite 706 St. Louis, MO 63101 (314) 342-3400

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Interior Holdings, LLC	Delaware	43-1700075	701 Market Street St. Louis, MO 63101 (314) 342-3400
James River Coal Terminal, LLC	Delaware	55-0643770	701 Market Street, Suite 702 St. Louis, MO 63101 (314) 342-3400
Jarrell's Branch Coal Company	Delaware	73-1625894	701 Market Street Suite 774 St. Louis, MO 63101 (314) 342-3400
Juniper Coal Company	Delaware	43-1744675	701 Market Street, Suite 716 St. Louis, MO 63101-1826 (314) 342-3400
Kanawha River Ventures I, LLC	West Virginia	20-0089445	P.O. Box 1233 Charleston, WV 25324 (304) 344-0300
Kayenta Mobile Home Park, Inc.	Delaware	86-0773596	P.O. Box 605 Kayenta, AZ 86033 (928) 677-3201
Logan Fork Coal Company	Delaware	73-1625895	701 Market Street Suite 773 St. Louis, MO 63101 (314) 342-3400
Martinka Coal Company, LLC	Delaware	55-0716084	202 Laidley Tower, P.O. Box 815 Charleston, WV 25324-0004 (304) 344-0300
Midco Supply and Equipment Corporation	Illinois	43-6042249	P.O. Box 14542 St. Louis, MO 63178 (314) 342-3400
Midwest Coal Acquisition Corp.	Delaware	20-0217640	701 Market Street Suite 722 St. Louis, MO 63101 (314) 342-3400
Midwest Coal Reserves of Illinois, LLC	Delaware	20-3960648	701 Market Street Suite 964 St. Louis, MO 63101 (314) 342-3400
Midwest Coal Reserves of Indiana, LLC	Delaware	20-3405958	701 Market Street Suite 963 St. Louis, MO 63101

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Midwest Coal Resources, LLC	Delaware	20-3405619	(314) 342-3400 701 Market Street St. Louis, MO 63101
Mountain View Coal Company, LLC	Delaware	25-1474206	(314) 342-3400 202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324-0004
Mustang Energy Company, L.L.C.	Delaware	43-1898532	(304) 344-0300 701 Market Street Suite 953 St. Louis, MO 63101
New Mexico Coal Resources, LLC	Delaware	20-3405643	(314) 342-3400 701 Market Street St. Louis, MO 63101
North Page Coal Corp.	West Virginia	31-1210133	(314) 342-3400 202 Laidley Tower, P.O. Box 1233 Charleston, WV 25334-0004
Ohio County Coal Company	Kentucky	61-1176239	(304) 344-0300 19070 Highway 1078 South Henderson, KY 42420
Patriot Coal Company, L.P.	Delaware	61-1258748	(502) 546-9430 19070 Highway 1078 South Henderson, KY 42420
Patriot Midwest Holdings, LLC	Delaware	20-4370400	(502) 546-9430 701 Market Street St. Louis, MO 63101
PDC Partnership Holdings, LLC	Delaware	20-0480135	(314) 342-3400 701 Market Street, Suite 709 St. Louis, MO 63101
Peabody America, Inc.	Delaware	93-1116066	(314) 342-3400 701 Market Street, Suite 720 St. Louis, MO 63101-1826
Peabody Archveyor, L.L.C.	Delaware	43-1898535	(314) 342-3400 701 Market Street Suite 751 St. Louis, MO 63101
			(314) 342-3400

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number	Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices
Peabody Cardinal Gasification, LLC	Delaware	20-5047955	701 Market Street Suite 931 St. Louis, MO 63101 (314) 342-3400
Peabody Coal Company, LLC	Delaware	13-2606920	701 Market Street Suite 765 St. Louis, MO 63101 (314) 342-3400
Peabody Development Company, LLC	Delaware	43-1265557	701 Market Street Suite 970 St. Louis, MO 63101 (314) 342-3400
Peabody Electricity, LLC	Delaware	20-3405744	701 Market Street St. Louis, MO 63101 (314) 342-3400
Peabody Energy Generation Holding Company	Delaware	73-1625891	St. Louis, MO 63101 701 Market Street Suite 930 (314) 342-3400
Peabody Energy Investments, Inc.	Delaware	68-0541702	701 Market Street Suite 717 St. Louis, MO 63101 (314) 342-3400
Peabody Energy Solutions, Inc.	Delaware	43-1753832	701 Market Street, Suite 845 St. Louis, MO 63101 (314) 342-7600
Peabody Holding Company, LLC	Delaware	74-2666822	701 Market Street, Suite 741 St. Louis, MO 63101 (314) 342-3400
Peabody Investments Corp.	Delaware	20-0480084	701 Market Street Suite 707 St. Louis, MO 63101 (314) 342-3400
Peabody Natural Gas, LLC	Delaware	43-1890836	701 Market Street Suite 740 St. Louis, MO 63101 (314) 342-3400
Peabody Natural Resources Company	Delaware	51-0332232	701 Market Street, Suite 708 St. Louis, MO 63101 (314) 342-3400

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Peabody PowerTree Investments, LLC	Delaware	20-0116980	701 Market Street Suite 954 St. Louis, MO 63101 (314) 342-3400
Peabody Recreational Lands, L.L.C.	Delaware	43-1898382	701 Market Street Suite 920 St. Louis, MO 63101 (314) 342-3400
Peabody Southwestern Coal Company	Delaware	43-1898372	St. Louis, MO 63101-1826 701 Market Street Suite 739 (314) 342-3400
Peabody Terminals, LLC	Delaware	31-1035824	701 Market Street, Suite 712 St. Louis, MO 63101 (314) 342-3400
Peabody Venezuela Coal Corp.	Delaware	43-1609813	701 Market Street, Suite 715 St. Louis, MO 63101-1826 (314) 342-3400
Peabody Venture Fund, LLC	Delaware	20-3405779	701 Market Street St. Louis, MO 63101 (314) 342-3400
Peabody-Waterside Development, L.L.C.	Delaware	75-3098342	701 Market Street Suite 921 St. Louis, MO 63101 (314) 342-3400
Peabody Western Coal Company	Delaware	86-0766626	P.O. Box 605 Kayenta, AZ 86033 (928) 677-3201
PEC Equipment Company, LLC	Delaware	20-0217950	701 Market Street Suite 726 St. Louis, MO 63101 (314) 342-3400
Pine Ridge Coal Company, LLC	Delaware	55-0737187	202 Laidley Tower Charleston, WV 25324 (304) 344-0300
Point Pleasant Dock Company, LLC	Delaware	20-0117005	701 Market Street Suite 708 St. Louis, MO 63101 (314) 342-3400

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	IRS Employer Identification Number	Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices
Pond Creek Land Resources, LLC	Delaware	75-3058253	701 Market Street Suite 776 St. Louis, MO 63101 (314) 342-3400
Pond River Land Company	Delaware	73-1625893	701 Market Street Suite 771 St. Louis, MO 63101 (314) 342-3400
Porcupine Production, LLC	Delaware	43-1898379	701 Market Street Suite 752 St. Louis, MO 63101 (314) 342-3400
Porcupine Transportation, LLC	Delaware	43-1898380	701 Market Street Suite 753 St. Louis, MO 63101 (314) 342-3400
Powder River Coal, LLC	Delaware	43-0996010	1013 East Boxelder Gillette, WY 82718 (307) 687-6900
Powder River Resources, LLC	Delaware	20-3405797	701 Market Street St. Louis, MO 63101 (314) 342-3400
Prairie State Generating Company, LLC	Delaware	43-1941772	701 Market Street Suite 781 St. Louis, MO 63101 (314) 342-3400
Randolph Land Holding Company, LLC	Delaware	20-2139951	701 Market Street Suite 782 St. Louis, MO 63101 (314) 342-3400
Rivers Edge Mining, Inc.	Delaware	43-1898371	701 Market Street Suite 910 St. Louis, MO 63101 (314) 342-3400
Riverview Terminal Company	Delaware	13-2899722	14062 Denver West Parkway Suite 110 Golden, CO 80401-3301 (606) 739-5752
School Creek Coal Company, LLC	Delaware	20-2902073	701 Market Street Suite 738 St. Louis, MO 63101 (314) 342-3400
Seneca Coal Company	Delaware	84-1273892	

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			Drawer D Hayden, CO 81639 (970) 276-3707
Sentry Mining, LLC	Delaware	43-1540251	701 Market Street, Suite 701 St. Louis, MO 63101-1826 (314) 342-3400
Shoshone Coal Corporation	Delaware	25-1336898	701 Market Street Suite 734 St. Louis, MO 63101 (314) 342-3400
Snowberry Land Company	Delaware	43-1721980	701 Market Street Suite 971 St. Louis, MO 63101 (314) 342-3400
Star Lake Energy Company, L.L.C.	Delaware	43-1898533	701 Market Street Suite 951 St. Louis, MO 63101 (314) 342-3400
Sterling Smokeless Coal Company, LLC	West Virginia	55-0463558	202 Laidley Tower, P.O. Box 1233 Charleston, WV 25324 (314) 344-0300
Sugar Camp Properties	Indiana	35-2130006	7100 Eagle Crest Blvd. Evansville, IN 47715 (812) 424-9000
Thoroughbred, L.L.C.	Delaware	43-1686687	701 Market Street Suite 815 St. Louis, MO 63101 (314) 342-3400
Thoroughbred Generating Company, LLC	Delaware	43-1898534	701 Market Street Suite 780 St. Louis, MO 63101 (314) 342-3400
Thoroughbred Mining Company, L.L.C.	Delaware	73-1625889	701 Market Street Suite 721 St. Louis, MO 63101 (314) 342-3400
Twentymile Coal Company	Delaware	95-3811846	701 Market Street Suite 731 St. Louis, MO 63101 (314) 342-3400

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Union County Coal Company, LLC	Kentucky	74-3096591	435 Davis Mine Road Sturgis, KY 42459 (270) 333-5002
West Roundup Resources, Inc.	Delaware	20-2561489	701 Market Street Suite 736 St. Louis, MO 63101 (314) 342-3400
Yankeetown Dock, LLC	Indiana	35-0923438	P.O. Box 159 Newburgh, IN 47629-0159 (812) 853-3387

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PROSPECTUS

**Peabody Energy Corporation
Debt Securities
Common Stock
Preferred Stock
Preferred Stock Purchase Rights
Warrants
Units
Subsidiary Guarantors
Guaranteed Debt Securities**

Peabody Energy Corporation may offer and sell from time to time, in one or more series, any one of the following securities:

unsecured debt securities consisting of notes, debentures or other evidences of indebtedness which may be senior debt securities, senior subordinated debt securities or subordinated debt securities, common stock, preferred stock, warrants, and units,

or any combination of these securities. Peabody Energy Corporation's debt securities may be guaranteed by substantially all of its domestic subsidiaries.

The common stock of Peabody Energy Corporation is traded on the New York Stock Exchange under the symbol BTU. We will provide more specific information about the terms of an offering of any securities in supplements to this prospectus.

You should read this prospectus and the applicable prospectus supplement, as well as the risks contained or described in the documents incorporated by reference in this prospectus or any accompanying prospectus supplement, before you invest.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is July 28, 2006

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ABOUT THIS PROSPECTUS

This prospectus describes the general terms of the securities to be offered hereby. A prospectus supplement that will describe the specific amounts, prices and other terms of the securities being offered will be provided to you in connection with each sale of securities offered pursuant to this prospectus. The prospectus supplement or any free writing prospectus prepared by or on behalf of us may also add, update or change information contained in this prospectus. To understand the terms of securities offered pursuant to this prospectus, you should carefully read this document with the applicable prospectus supplement or any free writing prospectus prepared by or on behalf of us. Together, these documents will give the specific terms of the offered securities. You should also read the documents we have incorporated by reference in this prospectus described below under Incorporation of Certain Documents By Reference.

You should rely only on the information incorporated by reference or provided in this prospectus, any prospectus supplement or any free writing prospectus prepared by or on behalf of us. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not

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assume that the information in this prospectus, any prospectus supplement or any free writing prospectus is accurate as of any date other than the date on the front of those documents.

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Some of the information included in this prospectus and the documents we have incorporated by reference include statements of our expectations, intentions, plans and beliefs that constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to come within the safe harbor protection provided by those sections. These statements relate to future events or our future financial performance. We use words such as anticipate, believe, expect, may, intend, project, will or other similar words to identify forward-looking statements.

Without limiting the foregoing, all statements relating to our future outlook, anticipated capital expenditures, future cash flows and borrowings, and sources of funding are forward-looking statements. These forward-looking statements are based on numerous assumptions that we believe are reasonable, but they are open to a wide range of uncertainties and business risks and actual results may differ materially from those discussed in these statements.

Among the factors that could cause actual results to differ materially are:

growth of domestic and international coal and power markets;

coal's market share of electricity generation;

prices of fuels which compete with or impact coal usage, such as oil or natural gas;

future worldwide economic conditions;

economic strength and political stability of countries in which we have operations or serve customers;

weather;

success in integrating new acquisitions;

transportation performance and costs, including demurrage;

ability to renew sales contracts;

successful implementation of business strategies;

legislation, regulations and court decisions;

new environmental requirements affecting the use of coal including mercury and carbon dioxide related limitations;

variation in revenues related to synthetic fuel production;

changes in postretirement benefit and pension obligations;

negotiation of labor contracts, employee relations and workforce availability;

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availability and costs of credit, surety bonds and letters of credit;

the effects of changes in currency exchange rates;

price volatility and demand, particularly in higher-margin products and in our trading and brokerage businesses;

risks associated with customer contracts, including credit and performance risk;

availability and costs of key suppliers or commodities such as diesel fuel, steel, explosives and tires;

reductions of purchases by major customers;

geology, equipment and other risks inherent to mining;

terrorist attacks or threats;

performance of contractors, third party coal suppliers or major suppliers of mining equipment or supplies;

replacement of coal reserves;

risks associated with developing new mines, expanded capacity and our Btu conversion or generation development initiatives;

implementation of new accounting standards and Medicare regulations;

inflationary trends, including those impacting materials used in our business;

the effects of interest rate changes;

litigation, including claims not yet asserted;

the effects of acquisitions or divestitures;

impacts of pandemic illness; and

changes to contribution requirements to multi-employer benefit funds.

When considering these forward-looking statements, you should keep in mind the cautionary statements in this document and the documents incorporated by reference. We will not update these statements unless the securities laws require us to do so.

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SUMMARY

*This summary highlights selected information from this prospectus and does not contain all of the information that may be important to you. This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide you with a prospectus supplement that will describe the specific amounts, prices and other terms of the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus. To understand the terms of our securities, you should carefully read this document with the applicable prospectus supplement and any free writing prospectus prepared by or on behalf of us. Together, these documents will give the specific terms of the securities we are offering. You should also read the documents we have incorporated by reference in this prospectus described below under *Incorporation of Certain Documents by Reference*. When used in this prospectus, the terms *we*, *our*, and *us*, except as otherwise indicated or in the context otherwise indicates, refer to Peabody Energy Corporation and/or its applicable subsidiary or subsidiaries.*

The Securities We May Offer

We may offer and sell from time to time:

common stock;

debt securities;

preferred stock;

warrants; and

units.

In addition, we may offer and sell from time to time debt securities that may be guaranteed by substantially all of our domestic subsidiaries.

Common Stock

We may issue shares of our common stock, par value \$0.01 per share. Holders of common stock are entitled to receive ratably dividends if, as and when dividends are declared from time to time by our board of directors out of funds legally available for that purpose, after payment of dividends required to be paid on outstanding preferred stock or series common stock. Holders of common stock are entitled to one vote per share and vote together, as one class, with the holders of our Series A Junior Participating Preferred Stock. Holders of common stock have no cumulative voting rights in the election of directors.

Debt Securities

We may offer debt securities, which may be either senior, senior subordinated or subordinated, may be guaranteed by substantially all of our domestic subsidiaries, and may be convertible into shares of our common stock. We may issue debt securities either separately, or together with, upon conversion of or in exchange for other securities. The debt securities that we issue will be issued under one of two indentures among us, U.S. Bank National Association, as trustee and, if guaranteed, the subsidiary guarantors thereto. We have summarized general features of the debt securities that we may issue under *Description of Debt Securities*. We encourage you to read the indentures, which are included as exhibits to the registration statement of which this prospectus forms a part.

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Preferred Stock

We may issue shares of our preferred stock, par value \$0.01 per share, in one or more series. Our board of directors will determine the dividend, voting, conversion and other rights of the series of preferred stock being offered.

Warrants

We may issue warrants for the purchase of preferred stock or common stock or debt securities of our company. We may issue warrants independently or together with other securities. Warrants sold with other securities as a unit may be attached to or separate from the other securities. We will issue warrants under one or more warrant agreements between us and a warrant agent that we will name in the applicable prospectus supplement.

Units

We may also issue units comprised of one or more of the other securities described in this prospectus in any combination. Each unit may also include debt obligations of third parties, such as U.S. Treasury securities. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security.

Peabody Energy Corporation

We are the largest private-sector coal company in the world. During the year ended December 31, 2005, we sold 239.9 million tons of coal. During this period, we sold coal to over 350 electricity generating and industrial plants in 15 countries. Our coal products fuel approximately 10% of all U.S. electricity generation and 3% of worldwide electricity generation. At December 31, 2005, we had 9.8 billion tons of proven and probable coal reserves.

We are engaged in the production, distribution and sale of coal to electricity generating and industrial plants throughout the world. We own, through our subsidiaries, majority interests in coal operations located throughout all major U.S. coal producing regions and in Australia. Additionally, we own minority interests in mines through joint venture arrangements. Most of our production in the western United States is low-sulfur coal from the Powder River Basin. In the West, we own and operate mines in Arizona, Colorado, New Mexico and Wyoming. In the East, we own and operate mines in Illinois, Indiana, Kentucky and West Virginia. We also own mines in Queensland, Australia. Most of our Australian production is low-sulfur, metallurgical coal. We generate most of our production from non-union mines.

In addition to our mining operations, we market, broker and trade coal. In 2005, we opened a business development, sales and marketing office in Beijing, China to pursue potential long-term growth opportunities in this market. Our other energy related commercial activities include the development of mine-mouth coal-fueled generating plants, the management of our vast coal reserve and real estate holdings, coalbed methane production, transportation services, and, more recently, BTU conversion. Our BTU conversion initiatives include participation in technologies that convert coal into natural gas, liquids and hydrogen.

Our principal executive offices are located at 701 Market Street, St. Louis, Missouri 63101-1826, telephone (314) 342-3400.

Table of Contents**RATIO OF EARNINGS TO FIXED CHARGES**

The ratio of earnings to fixed charges presented below should be read together with the financial statements and the notes accompanying them and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2005 and Quarterly Report for the quarter ended March 31, 2006 incorporated by reference into this prospectus. For purposes of the computation of the ratio of earnings to fixed charges, earnings consist of income before income taxes and minority interests plus fixed charges. Fixed charges consist of interest expense on all indebtedness plus the interest component of lease rental expense. A ratio of combined fixed charges and preferred stock dividends to earnings will be included as necessary in the applicable prospectus supplement if we issue and sell preferred stock thereunder.

		Nine Months					Quarter
	Year Ended March 31, 2001	Ended December 31, 2001	Year Ended December 31, 2002	Year Ended December 31, 2003	Year Ended December 31, 2004	Year Ended December 31, 2005	Ended March 31, 2006
Ratio of Earnings to Fixed Charges(1)	1.59x	0.92x	1.50x	0.98x	2.04x	3.86x	4.85x

- (1) Earnings were insufficient to cover fixed charges by \$9.6 million and \$3.2 million for the nine months ended December 31, 2001 and the year ended December 31, 2003, respectively. Excluding \$38.6 million and \$53.5 million of early debt extinguishment costs incurred in the nine months ended December 31, 2001 and the year ended December 31,

2003,
respectively, the
ratio of earnings
to fixed charges
was 1.23x and
1.34x during the
respective
periods.

USE OF PROCEEDS

Unless otherwise indicated in the prospectus supplement, we will use all or a portion of the net proceeds from the sale of our securities offered by this prospectus and the prospectus supplement for general corporate purposes. General corporate purposes may include repayment of other debt, capital expenditures, possible acquisitions and any other purposes that may be stated in any prospectus supplement. The net proceeds may be invested temporarily or applied to repay short-term or revolving debt until they are used for their stated purpose.

DIVIDEND POLICY

We currently declare and pay quarterly dividends of \$0.06 per share. The declaration and payment of dividends and the amount of dividends will depend on our results of operations, financial condition, cash requirements, future prospects, any limitations imposed by our debt instruments and other factors deemed relevant by our board of directors; however, we presently expect that dividends will continue to be paid.

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DESCRIPTION OF DEBT SECURITIES

The following description of the terms of the debt securities summarizes certain general terms that will apply to the debt securities offered by us. The description is not complete, and we refer you to the indentures, which are included as exhibits to the registration statement of which this prospectus is a part. In addition, the terms described below may be amended, supplemented or otherwise modified pursuant to one or more supplemental indentures. Any such amendments, supplements or modifications will be set forth in the applicable prospectus supplement. Capitalized items have the meanings assigned to them in the indentures. The referenced sections of the indentures and the definitions of capitalized terms are incorporated by reference in the following summary.

The debt securities that we may issue will be senior, senior subordinated or subordinated debt, may be guaranteed by substantially all of our domestic subsidiaries, and may be convertible into shares of our common stock.

The senior, senior subordinated or subordinated debt securities that we may issue will be issued under separate indentures among us, U.S. Bank National Association, as trustee and, if guaranteed, the subsidiary guarantors thereto. Senior debt securities will be issued under a Senior Indenture, senior subordinated debt securities and subordinated debt securities will be issued under a Subordinated Indenture. Collectively, we refer to the Senior Indenture and the Subordinated Indenture as the Indentures. For purposes of the summary set forth below, obligor refers to Peabody Energy Corporation. This summary of the Indentures is qualified by reference to the Indentures. You should refer to the Indentures in addition to reading this summary. The summary is not complete and is subject to the specific terms of the Indentures.

General

Under the Indentures, we will be able to issue from time to time, in one or more series, an unlimited amount of debt securities. Each time that we issue a new series of debt securities, the supplement to the prospectus relating to that new series will specify the terms of those debt securities, including:

designation, amount and denominations;

percentage of principal amount at which the debt securities will be issued;

maturity date;

interest rate and payment dates;

terms and conditions of exchanging or converting debt securities for other securities;

the currency or currencies in which the debt securities may be issued;

redemption terms;

whether the debt securities will be guaranteed by our subsidiaries;

whether the debt securities and/or any guarantees will be senior, senior subordinated or subordinated; and

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any other specific terms of the debt securities, including any deleted, modified or additional events of default or remedies or additional covenants provided with respect to the debt securities, and any terms that may be required by or advisable under applicable laws or regulations.

Unless otherwise specified in any prospectus supplement, the debt securities will be issuable in registered form without coupons and in denominations of \$1,000 and any integral multiple thereof. No service charge will be made for any transfer or exchange of any debt securities, but the issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Debt securities may bear interest at a fixed rate or a floating rate. Debt securities bearing no interest or interest at a rate that at the time of issuance is below the prevailing market rate may be sold at a discount below their stated principal amount. Special U.S. federal income tax considerations applicable to discounted debt securities or to some debt securities issued at par that are treated as having been issued at a discount for U.S. federal income tax purposes will be described in the applicable prospectus supplement.

In determining whether the holders of the requisite aggregate principal amount of outstanding debt securities of any series have given any request, demand, authorization, direction, notice, consent or waiver under the Indentures, the principal amount of any series of debt securities originally issued at a discount from their stated principal amount that will be deemed to be outstanding for such purposes will be the amount of the principal thereof that would be due and payable as of the date of the determination upon a declaration of acceleration of the maturity thereof.

Payments relating to the debt securities generally will be paid by us, at U.S. Bank National Association's corporate trust office. However, we may elect to pay interest by mailing checks directly to the registered holders of the debt securities. You can transfer your debt securities at U.S. Bank National Association's corporate trust office.

Ranking

Unless otherwise described in the prospectus supplement for any series, the debt securities that we issue will be unsecured and will rank on a parity with all of our other unsecured and unsubordinated indebtedness.

We conduct a material amount of our operations through our subsidiaries. Our right to participate as a shareholder in any distribution of assets of any of our subsidiaries (and thus the ability of holders of the debt securities that we issue to benefit as creditors of Peabody Energy Corporation from such distribution) is junior to creditors of that subsidiary. As a result, claims of holders of the debt securities that we issue will generally have a junior position to claims of creditors of our subsidiaries, except to the extent that we may be recognized as a creditor of those subsidiaries or those subsidiaries guarantee the debt securities.

Reopening of Issue

We may, from time to time, reopen an issue of debt securities without the consent of the holders of the debt securities and issue additional debt securities with the same terms (including maturity and interest payment terms) as debt securities issued on an earlier date. After such additional debt securities are issued they will be fungible with the previously issued debt securities to the extent specified in the applicable prospectus supplement.

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Debt Guarantees

Our debt securities may be guaranteed by substantially all of our domestic subsidiaries, the subsidiary guarantors. If debt securities are guaranteed by subsidiary guarantors, that guarantee will be set forth in the applicable Indenture or a supplemental indenture.

Payments with respect to subsidiary guarantees of our senior subordinated debt securities and subordinated debt securities will be subordinated in right of payment to the prior payment in full of all senior indebtedness of each such subsidiary guarantor to the same extent and manner that payments with respect to our senior subordinated debt securities and subordinated debt securities are subordinated in right of payment to the prior payment in full of all of our senior indebtedness.

Merger and Consolidation

Unless otherwise described in the prospectus supplement of any series, we may, under the applicable Indenture, without the consent of the holders of debt securities, consolidate with, merge with or into or transfer all or substantially all of our assets to any other corporation organized under the laws of the United States or any of its political subdivisions provided that:

the surviving corporation assumes all of our obligations under the applicable Indenture;

at the time of such transaction, no event of default, and no event that, after notice or lapse of time, would become an event of default, shall have happened and be continuing; and

certain other conditions are met.

Modification

Generally, our rights and obligations and the holders' rights may be modified with the consent of holders of a majority of the outstanding debt securities of each series affected by such modification. However, unless otherwise described in the prospectus supplement of any series, no modification or amendment may occur without the consent of the affected holder of a debt security if that modification or amendment would do any of the following:

change the stated maturity date of the principal of, or any installment of interest on, any of the holder's debt securities;

reduce the principal amount of, or the interest (or premium, if any) on, the debt security (including, in the case of a discounted debt security, the amount payable upon acceleration of maturity or provable in bankruptcy);

change the currency of payment of the debt security;

impair the right to institute suit for the enforcement of any payment on the debt security or adversely affect the right of repayment, if any, at the option of the holder;

reduce the percentage of holders of debt securities necessary to modify or amend the applicable Indenture or to waive any past default;

release a guarantor from its obligations under its guarantee, other than in accordance with the terms thereof; or

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modify our obligations to maintain an office or agency in New York City.

A modification that changes a covenant or provision expressly included solely for the benefit of holders of one or more particular series will not affect the rights of holders of debt securities of any other series.

Each Indenture provides that the obligor and U.S. Bank National Association, as trustee, may make modifications without the consent of the debt security holders in order to do the following:

evidence the assumption by a successor entity of the obligations of the obligor under the applicable Indenture;

convey security for the debt securities to U.S. Bank National Association;

add covenants, restrictions or conditions for the protection of the debt security holders;

provide for the issuance of debt securities in coupon or fully registered form;

establish the form or terms of debt securities of any series;

cure any ambiguity or correct any defect in an Indenture that does not adversely affect the interests of a holder;

evidence the appointment of a successor trustee or more than one trustee;

surrender any right or power conferred upon us;

comply with the requirements of the SEC in order to maintain the qualification of the applicable Indenture under the Trust Indenture Act of 1939, as amended;

add or modify any other provisions with respect to matters or questions arising under an Indenture that we and U.S. Bank National Association may deem necessary or desirable and that will not adversely affect the interests of holders of debt securities;

modify the existing covenants and events of default solely in respect of, or add new covenants or events of default that apply solely to, debt securities not yet issued and outstanding; or

to provide for guarantees of the debt securities and to specify the ranking of the obligations of the guarantors under their respective guarantees.

Events of Default

Under the Indentures, an event of default means, unless otherwise described in the prospectus supplement of any series, any one of the following:

failure to pay interest on a debt security for 30 days;

failure to pay principal and premium, if any, when due;

failure to pay or satisfy a sinking fund installment when due;

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by Peabody Energy Corporation or by a guarantor of the debt securities to perform any other covenant in the applicable Indenture that continues for 60 days after receipt of notice;

certain events in bankruptcy, insolvency or reorganization; or

a guarantee being held in any judicial proceeding to be unenforceable or invalid.

An event of default relating to one series of debt securities does not necessarily constitute an event of default with respect to any other series issued under the applicable Indenture. If an event of default exists with respect to a series of debt securities, U.S. Bank National Association or the holders of at least 25% of the then-outstanding debt securities of that series may declare the principal of that series due and payable.

Any event of default with respect to a particular series of debt securities may be waived by the holders of a majority of the then-outstanding debt securities of that series, except for a failure to pay principal premium or interest on the debt security.

U.S. Bank National Association may withhold notice to the holder of the debt securities of any default (except in payment of principal, premium, interest or sinking fund payment) if U.S. Bank National Association thinks that withholding such notice is in the interest of the holders.

Subject to the specific duties that arise under the applicable Indenture if an event of default exists, U.S. Bank National Association is not obligated to exercise any of its rights or powers under the applicable Indenture at the request of the holders of the debt securities unless they provide reasonable indemnity satisfactory to it. Generally, the holders of a majority of the then-outstanding debt securities can direct the proceeding for a remedy available to U.S. Bank National Association or for exercising any power conferred on U.S. Bank National Association as the trustee.

Trustee's Relationship

U.S. Bank National Association or its affiliates may from time to time in the future provide banking and other services to us in the ordinary course of its business. The Indentures provide that we will indemnify U.S. Bank National Association against any and all loss, liability, claim, damage or expense incurred that arises from the trust created by the applicable Indenture unless the loss, liability, claim, damage or expense results from U.S. Bank National Association's negligence or willful misconduct.

Global Securities

We may issue some of the debt securities as global securities that will be deposited with a depository identified in a prospectus supplement. Global securities may be issued in registered form and may be either temporary or permanent. A prospectus supplement will contain additional information about depository arrangements.

Registered global securities will be registered in the depository's name or in the name of its nominee. When we issue a global security, the depository will credit that amount of debt securities to the investors that have accounts with the depository or its nominee. The underwriters or the debt security holder's agent will designate the accounts to be credited, unless the debt securities are offered and sold directly by us, in which case, we will designate the appropriate account to be credited.

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Investors who have accounts with a depository, and people who have an interest in those institutions, are the beneficial owners of global securities held by that particular depository.

We will not maintain records regarding ownership or the transfer of global securities held by a depository or to nominee. If you are the beneficial owner of global securities held by a depository, you must get information directly from the depository.

As long as a depository is the registered owner of a global security, that depository will be considered the sole owner of the debt securities represented by that global security. Except as set forth below, beneficial owners of global securities held by a depository will not be entitled to:

register the represented debt securities in their names;

receive physical delivery of the debt securities; or

be considered the owners or holders of the global security under the applicable Indenture.

Payments on debt securities registered in the name of a depository or its nominee will be made to the depository or its nominee.

When a depository receives a payment, it must immediately credit the accounts in amounts proportionate to the account holders' interests in the global security. The beneficial owners of a global security should, and are expected to, establish standing instructions and customary practices with their investors that have an account with the depository, so that payments can be made with regard to securities beneficially held for them, much like securities held for the accounts of customers in bearer form or registered in street name.

A global security can only be transferred in whole by the depository to a nominee of such depository or to another nominee of a depository. If a depository is unwilling or unable to continue as a depository and we do not appoint a successor depository within ninety days, we will issue certificated debt securities in exchange for all of the global securities held by that depository. In addition, we may eliminate all global securities at any time and issue certificated debt securities in exchange for them. Further, we may allow a depository to surrender a global security in exchange for certificated debt securities on any terms that are acceptable to us and the depository. Finally, an interest in the global security is exchangeable for a certificated debt security if an event of default has occurred as described above under Events of Default.

If any of these events occur, we will execute, and U.S. Bank National Association will authenticate and deliver to the beneficial owners of the global security in question, a new registered security in an amount equal to and in exchange for that person's beneficial interest in the exchange global security. The depository will receive a new global security in an amount equal to the difference, if any, between the amount of the surrendered global security and the amount of debt securities delivered to the beneficial owners. Debt securities issued in exchange for global securities will be registered in the same names and in the same denominations as indicated by the depository's records and in accordance with the instructions from its direct and indirect participants.

The laws of certain jurisdictions require some people who purchase securities to actually take physical possession of those securities. The limitations imposed by these laws may impair your ability to transfer your beneficial interests in a global security.

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Conversion Rights

The terms and conditions, if any, upon which the debt securities are convertible into shares of our common stock will be set forth in the prospectus supplement relating thereto. These terms will include the conversion price, the conversion period, provisions as to whether conversion will be at the option of the Holder or us, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of those debt securities.

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DESCRIPTION OF CAPITAL STOCK

Our authorized capital stock consists of (1) 800 million shares of common stock, par value \$0.01 per share, of which 264.5 million shares were outstanding on March 31, 2006, (2) 10 million shares of preferred stock, par value \$0.01 per share (1.5 million of which are reserved for Series A Junior Participating Preferred Stock), of which no shares are issued or outstanding, (3) 40 million shares of series common stock, par value \$0.01 per share, of which no shares are issued or outstanding and (4) 1.5 million shares of Series A Junior Participating Preferred Stock of which no shares are issued or outstanding. As of March 31, 2006, there were 744 holders of record of our common stock. The following description of our capital stock and related matters is qualified in its entirety by reference to our certificate of incorporation and by-laws.

The following summary describes elements of our certificate of incorporation and by-laws.

Common Stock

Holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders and vote together, as one class, with the holders of our Series A Junior Participating Preferred Stock. The holders of common stock do not have cumulative voting rights in the election of directors. Holders of common stock are entitled to receive ratably dividends if, as and when dividends are declared from time to time by our board of directors out of funds legally available for that purpose, after payment of dividends required to be paid on outstanding preferred stock or series common stock, as described below. Upon liquidation, dissolution or winding up, any business combination or a sale or disposition of all or substantially all of the assets, the holders of common stock are entitled to receive ratably the assets available for distribution to the stockholders after payment of liabilities and accrued but unpaid dividends and liquidation preferences on any outstanding preferred stock or series common stock. The common stock has no preemptive or conversion rights and is not subject to further calls or assessment by us. There are no redemption or sinking fund provisions applicable to the common stock.

Series A Junior Participating Preferred Stock

Holders of shares of Series A Junior Participating Preferred Stock (Series A Preferred Stock) are entitled to receive quarterly dividend payments equal to the greater of \$1.00 per share or 400 times the per share dividend declared on our common stock. Holders of Series A Preferred Stock are entitled to 400 votes per share on all matters to be voted upon by the stockholders and vote together, as one class, with the holders of common stock. Upon liquidation, dissolution or winding up, holders of our Series A Preferred Stock are entitled to a liquidation preference of \$100 per share plus all accrued and unpaid dividends and distributions on the Series A Preferred Stock or 400 times the amount to be distributed per share on our common stock, whichever is greater. Liquidation distributions will be made ratably with all shares ranking on parity with the Series A Preferred Stock. In the event of any merger, consolidation, combination or other transaction in which shares of our common stock are exchanged for other securities, cash or property, each share of the Series A Preferred Stock will be exchanged for 400 times the amount received per share on our common stock. Each of these rights of our Series A Preferred Stock is protected by customary anti-dilution provisions. The Series A Preferred Stock is not redeemable and it will rank junior to any other series of our preferred stock with respect to the payment of dividends and the distribution of assets.

Preferred Stock and Series Common Stock

Our certificate of incorporation authorizes our board of directors to establish one or more series of preferred stock or series common stock. With respect to any series of preferred stock or series common stock, our board of directors is authorized to determine the terms and rights of that series, including:

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the designation of the series;

the number of shares of the series, which our board may, except where otherwise provided in the preferred stock or series common stock designation, increase or decrease, but not below the number of shares then outstanding;

whether dividends, if any, will be cumulative or non-cumulative and the dividend rate of the series;

the dates at which dividends, if any, will be payable;

the redemption rights and price or prices, if any, for shares of the series;

the terms and amounts of any sinking fund provided for the purchase or redemption of shares of the series;

the amounts payable on shares of the series in the event of any voluntary or involuntary liquidation, dissolution or winding-up of the affairs of our company;

whether the shares of the series will be convertible into shares of any other class or series, or any other security, of our company or any other corporation, and, if so, the specification of the other class or series or other security, the conversion price or prices or rate or rates, any rate adjustments, the date or dates as of which the shares will be convertible and all other terms and conditions upon which the conversion may be made;

restrictions on the issuance of shares of the same series or of any other class or series; and

the voting rights, if any, of the holders of the series.

Unless required by law or by any stock exchange, the authorized shares of preferred stock and series common stock, as well as shares of common stock, are available for issuance without further action by our stockholders.

Although we have no intention at the present time of doing so, we could issue a series of preferred stock or series common stock that could, depending on the terms of the series, impede the completion of a merger, tender offer or other takeover attempt. We will make any determination to issue preferred stock or series common stock based on our judgment as to the best interests of the company and our stockholders. We, in so acting, could issue preferred stock or series common stock having terms that could discourage an acquisition attempt or other transaction that some, or a majority, of stockholders might believe to be in their best interests or in which they might receive a premium for their common stock over the market price of the common stock.

Authorized but Unissued Capital Stock

Delaware law does not require stockholder approval for any issuance of authorized shares. However, the listing requirements of the New York Stock Exchange, which would apply so long as the common stock remains listed on the New York Stock Exchange, require stockholder approval of certain issuances equal to or exceeding 20% of the then-outstanding voting power or then-outstanding number of shares of common stock. These additional shares may be used for a variety of corporate purposes, including future public offerings, to raise additional capital or to facilitate acquisitions.

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One of the effects of the existence of unissued and unreserved common stock, preferred stock or series common stock may be to enable our board of directors to issue shares to persons friendly to current management, which issuance could render more difficult or discourage an attempt to obtain control of our company by means of a merger, tender offer, proxy contest or otherwise, and thereby protect the continuity of our management and possibly deprive the stockholders of opportunities to sell their shares of common stock at prices higher than prevailing market prices.

Anti-Takeover Effects of Provisions of Delaware Law and Our Charter and By-laws

Delaware Law

Our company is a Delaware corporation subject to Section 203 of the Delaware General Corporation Law. Section 203 provides that, subject to certain exceptions specified in the law, a Delaware corporation shall not engage in certain business combinations with any interested stockholder for a three-year period following the time that the stockholder became an interested stockholder unless:

prior to such time, our board of directors approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of our voting stock outstanding at the time the transaction commenced, excluding certain shares; or

at or subsequent to that time, the business combination is approved by our board of directors and by the affirmative vote of holders of at least 66 2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale or other transaction resulting in a financial benefit to the interested stockholder. Subject to certain exceptions, an interested shareholder is a person who together with that person's affiliates and associates owns, or within the previous three years did own, 15% or more of our voting stock.

Under certain circumstances, Section 203 makes it more difficult for a person who would be an interested stockholder to effect various business combinations with a corporation for a three-year period. The provisions of Section 203 may encourage companies interested in acquiring our company to negotiate in advance with our board of directors because the stockholder approval requirement would be avoided if our board of directors approves either the business combination or the transaction which results in the stockholder becoming an interested stockholder. These provisions also may have the effect of preventing changes in our board of directors and may make it more difficult to accomplish transactions which stockholders may otherwise deem to be in their best interests.

Certificate of Incorporation; By-laws

Our certificate of incorporation and by-laws contain provisions that could make more difficult the acquisition of the company by means of a tender offer, a proxy contest or otherwise.

Classified Board. Our certificate of incorporation provides that our board of directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible. As a result, approximately one-third of the board of directors will be elected each year. The classification of directors will have the effect of making it more difficult for stockholders to change the composition of our board. Our certificate of incorporation provides that, subject to any rights of holders of preferred stock or

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series common stock to elect additional directors under specified circumstances, the number of directors will be fixed in the manner provided in our by-laws. Our certificate of incorporation and by-laws provide that the number of directors will be fixed from time to time exclusively pursuant to a resolution adopted by the board, but must consist of not less than three directors. In addition, our certificate of incorporation provides that, subject to any rights of holders of preferred stock or series common stock and unless the board otherwise determines, any vacancies will be filled only by the affirmative vote of a majority of the remaining directors, though less than a quorum.

Removal of Directors. Under Delaware General Corporation Law, unless otherwise provided in our certificate of incorporation, directors serving on a classified board may only be removed by the stockholders for cause. In addition, our certificate of incorporation and by-laws provide that directors may be removed only for cause and only upon the affirmative vote of holders of at least 75% of the voting power of all the outstanding shares of stock entitled to vote generally in the election of directors, voting together as a single class.

Stockholder Action. Our certificate of incorporation and by-laws provide that stockholder action can be taken only at an annual or special meeting of stockholders and may not be taken by written consent in lieu of a meeting. Our certificate of incorporation and by-laws provide that special meetings of stockholders can be called only by our chief executive officer or pursuant to a resolution adopted by our board of directors. Stockholders are not permitted to call a special meeting or to require that the board of directors call a special meeting of stockholders.

Advance Notice Procedures. Our by-laws establish an advance notice procedure for stockholders to make nominations of candidates for election as directors, or bring other business before an annual or special meeting of our stockholders. This notice procedure provides that only persons who are nominated by, or at the direction of our board of directors, the chairman of the board, or by a stockholder who has given timely written notice to the secretary of our company prior to the meeting at which directors are to be elected, will be eligible for election as directors. This procedure also requires that, in order to raise matters at an annual or special meeting, those matters be raised before the meeting pursuant to the notice of meeting we deliver or by, or at the direction of, our chairman or by a stockholder who is entitled to vote at the meeting and who has given timely written notice to the secretary of our company of his intention to raise those matters at the annual meeting. If our chairman or other officer presiding at a meeting determines that a person was not nominated, or other business was not brought before the meeting, in accordance with the notice procedure, that person will not be eligible for election as a director, or that business will not be conducted at the meeting.

Amendment. Our certificate of incorporation provides that the affirmative vote of the holders of at least 75% of the voting power of the outstanding shares entitled to vote, voting together as a single class, is required to amend provisions of our certificate of incorporation relating to the prohibition of stockholder action without a meeting, the number, election and term of our directors and the removal of directors. Our certificate of incorporation further provides that our by-laws may be amended by our board or by the affirmative vote of the holders of at least 75% of the outstanding shares entitled to vote, voting together as a single class.

Rights Agreement

On July 23, 2002, our board of directors adopted a preferred share purchase rights plan. In connection with the rights plan, our board of directors declared a dividend of one preferred share purchase right for each outstanding share of our common stock. The rights dividend was paid on August 12, 2002 to the stockholders of record on that date.

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Purchase Price. Each right entitles the registered holder to purchase from us one quarter of one one-hundredth of a share of our Series A Junior Participating Preferred Stock, or preferred shares, par value \$0.01 per share, at a price of \$27.50 per one quarter of one one-hundredth of a preferred share, subject to adjustment.

Flip-In. In the event that any person or group of affiliated or associated persons acquires beneficial ownership of 15% or more of our outstanding common stock, each holder of a right, other than rights beneficially owned by the acquiring person (which will thereafter be void), will thereafter have the right to receive upon exercise that number of shares of our common stock having a market value of two times the exercise price of the right.

Flip-Over. If we are acquired in a merger or other business combination transaction, or 50% or more of our consolidated assets or earning power are sold after a person or group acquires beneficial ownership of 15% or more of our outstanding common stock, each holder of a right (other than rights beneficially owned by the acquiring person, which will be void) will thereafter have the right to receive that number of shares of common stock of the acquiring company which at the time of such transaction will have a market value of two times the exercise price of the right.

Distribution Date. The distribution date is the earlier of:

(1) 10 days following a public announcement that a person or group of affiliated or associated persons have acquired beneficial ownership of 15% or more of our outstanding common stock; or

(2) 10 business days (or such later date as may be determined by action of our board of directors prior to such time as any person or group of affiliated persons acquires beneficial ownership of 15% or more of our outstanding common stock) following the commencement of, or announcement of an intention to make, a tender offer or exchange offer the consummation of which would result in the beneficial ownership by a person or group of 15% or more of our outstanding common stock.

Transfer and Detachment. Until the distribution date, the rights will be evidenced either by book entry in our direct registration system or, with respect to any of our common stock certificates outstanding as of August 12, 2002, by such common stock certificate with a copy of the Summary of Rights attached thereto. Until the distribution date (or earlier redemption or expiration of the rights), the rights will be transferred with and only with the common stock, and transfer of those shares will also constitute transfer of the rights.

As soon as practicable following the distribution date, separate certificates evidencing the rights will be mailed to holders of record of our common stock as of the close of business on the distribution date and the separate certificates evidencing the rights alone will thereafter evidence the rights.

Exercisability. The rights are not exercisable until the distribution date. The rights will expire at the earliest of (1) August 11, 2012, unless that date is extended, (2) the time at which we redeem the rights, as described below, or (3) the time at which we exchange the rights, as described below.

Adjustments. The purchase price payable, and the number of preferred shares or other securities or property issuable, upon exercise of the rights are subject to adjustment from time to time to prevent dilution in the event of stock dividends, stock splits, reclassifications, or certain distributions with respect to the preferred shares. The number of outstanding rights and the number of one quarter of one one-hundredths of a preferred share issuable upon exercise of each right are also subject to adjustment if, prior to the distribution date, there is a stock split of our common stock or a stock dividend on our common stock payable in common stock or subdivisions, consolidations or combinations of our common stock.

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With certain exceptions, no adjustment in the purchase price will be required until cumulative adjustments require an adjustment of at least 1% in the purchase price. No fractional preferred shares will be issued (other than fractions which are integral multiples of one quarter of one one-hundredth of a preferred share, which may, at our election, be evidenced by depositary receipts) and, in lieu thereof, an adjustment in cash will be made based on the market price of the preferred shares on the last trading day prior to the date of exercise.

Preferred Shares. Preferred shares purchasable upon exercise of the rights will not be redeemable. Each preferred share will be entitled to a minimum preferential quarterly dividend payment of \$1.00 per share but will be entitled to an aggregate dividend of 400 times the dividend declared per share of common stock. In the event of liquidation, the holders of the preferred shares will be entitled to a minimum preferential liquidation payment of \$100 per share but will be entitled to an aggregate payment of 400 times the payment made per share of common stock. Each preferred share will have 400 votes, voting together with the common stock. Finally, in the event of any merger, consolidation or other transaction in which shares of our common stock are exchanged, each preferred share will be entitled to receive 400 times the amount received per share of common stock. These rights are protected by customary anti-dilution provisions.

The value of the one quarter of one one-hundredth interest in a preferred share purchasable upon exercise of each right should, because of the nature of the preferred shares' dividend, liquidation and voting rights, approximate the value of one share of our common stock.

Exchange. At any time after any person or group acquiring beneficial ownership of 15% or more of our outstanding common stock, and prior to the acquisition by such person or group of beneficial ownership of 50% or more of our outstanding common stock, our board of directors may exchange the rights (other than rights owned by the acquiring person, which will have become void), in whole or in part, at an exchange ratio of one share of our common stock, or one quarter of one one-hundredth of a preferred share (subject to adjustment).

Redemption. At any time prior to any person or group acquiring beneficial ownership of 15% or more of our outstanding common stock, our board of directors may redeem the rights in whole, but not in part, at a price of \$0.001 per right. The redemption of the rights may be made effective at such time on such basis with such conditions as our board of directors in its sole discretion may establish. Immediately upon any redemption of the rights, the right to exercise the rights will terminate and the only right of the holders of rights will be to receive the redemption price.

Amendments. The terms of the rights may be amended by our board of directors without the consent of the holders of the rights, including an amendment to lower certain thresholds described above to not less than the greater of (1) the sum of .001% and the largest percentage of our outstanding common stock then known to us to be beneficially owned by any person or group of affiliated or associated persons and (2) 10%, except that from and after such time as any person or group of affiliated or associated persons acquires beneficial ownership of 15% or more of our outstanding common stock, no such amendment may adversely affect the interests of the holders of the rights.

Rights and Holders. Until a right is exercised, the holder thereof, as such, will have no rights as a stockholder of our company, including, without limitation, the right to vote or to receive dividends.

Anti-takeover Effects. The rights have certain anti-takeover effects. The rights will cause substantial dilution to a person or group that attempts to acquire us on terms not approved by our board of directors, except pursuant to any offer conditioned on a substantial number of rights being acquired. The rights should not interfere with any merger or other business combination approved by our board of

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directors since the rights may be redeemed by us at the redemption price prior to the time that a person or group has acquired beneficial ownership of 15% or more of our common stock.

Registrar and Transfer Agent

The registrar and transfer agent for the common stock is American Stock Transfer & Trust Company.

Listing

The common stock is listed on the New York Stock Exchange under the symbol BTU.

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DESCRIPTION OF WARRANTS

The following description of the warrant agreements summarizes certain general terms that will apply to the warrants that we may offer. The description is not complete, and we refer you to the warrant agreements, which will be filed with the SEC promptly after the offering of any warrants and will be available as described under the heading Incorporation of Certain Documents by Reference in this prospectus.

We may issue warrants to purchase debt securities, common stock, preferred stock or other securities. We may issue warrants independently or as part of a unit with other securities. Warrants sold with other securities as a unit may be attached to or separate from the other securities. We will issue warrants under one or more warrant agreements between us and a warrant agent that we will name in the applicable prospectus supplement.

The prospectus supplement relating to any warrants we are offering will include specific terms relating to the offering, including a description of any other securities sold together with the warrants. These terms will include some or all of the following:

the title of the warrants;

the aggregate number of warrants offered;

the price or prices at which the warrants will be issued;

the currency or currencies, including composite currencies, in which the prices of the warrants may be payable;

the designation, number and terms of the debt securities, common stock, preferred stock or other securities or rights, including rights to receive payment in cash or securities based on the value, rate or price of one or more specified commodities, currencies or indices, purchasable upon exercise of the warrants and procedures by which those numbers may be adjusted; the exercise price of the warrants and the currency or currencies, including composite currencies, in which such price is payable;

the dates or periods during which the warrants are exercisable;

the designation and terms of any securities with which the warrants are issued as a unit;

if the warrants are issued as a unit with another security, the date on and after which the warrants and the other security will be separately transferable;

if the exercise price is not payable in U.S. dollars, the foreign currency, currency unit or composite currency in which the exercise price is denominated;

any minimum or maximum amount of warrants that may be exercised at any one time;

any terms relating to the modification of the warrants; and

any other terms of the warrants, including terms, procedures and limitations relating to the transferability, exchange, exercise or redemption of the warrants.

Warrants issued for securities other than our debt securities, common stock or preferred stock will not be exercisable until at least one year from the date of sale of the warrant.

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DESCRIPTION OF UNITS

The following descriptions of the units and any applicable underlying security or pledge or depository arrangements summarizes certain general terms that will apply to the applicable agreements. These descriptions do not restate those agreements in their entirety. We urge you to read the applicable agreements because they, and not the summaries, define your rights as holders of the units. We will make copies of the relevant agreements available as described under the heading "Incorporation of Certain Documents by Reference" in this prospectus.

As specified in the applicable prospectus supplement, we may issue units comprised of one or more of the other securities described in this prospectus in any combination. Each unit may also include debt obligations of third parties, such as U.S. Treasury securities. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The prospectus supplement will describe:

the designation and terms of the units and of the securities comprising the units, including whether and under what circumstances the securities comprising the units may be held or transferred separately;

a description of the terms of any unit agreement governing the units;

a description of the provisions for the payment, settlement, transfer or exchange of the units; and

whether the units will be issued in fully registered or global form.

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PLAN OF DISTRIBUTION

We may sell the securities offered by this prospectus:

to or through underwriting syndicates represented by managing underwriters;

through one or more underwriters without a syndicate for them to offer and sell to the public;

through dealers or agents; or

to one or more purchasers directly.

The applicable prospectus supplement will describe that offering, including:

the name or names of any underwriters, dealers or agents involved in the sale of the offered securities;

the purchase price and the proceeds to us from that sale;

any underwriting discounts, commissions agents fees and other items constituting underwriters or agents compensation;

any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers; and

any securities exchanges on which the offered securities may be listed.

If underwriters are used in the sale, the offered securities will be acquired by the underwriters for their own account. The underwriters may resell the offered securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The offered securities may be offered through an underwriting syndicate represented by many underwriters. The obligations of the underwriters to purchase the offered securities will be subject to certain conditions. The underwriters will be obligated to purchase all of the offered securities if any are purchased. Any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

The offered securities may be sold directly by us or through agents. Any agent will be named, and any commissions payable to that agent will be set forth in the prospectus supplement. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis.

We may authorize agents, underwriters or dealers to solicit offers by specified institutions to purchase securities offered by this prospectus pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. These contracts will be subject only to those conditions set forth in the prospectus supplement. The prospectus supplement will set forth the commission payable for soliciting such contracts.

We may agree to indemnify underwriters, dealers or agents against certain civil liabilities, including liabilities under the Securities Act, and may also agree to contribute to payments which the underwriters, dealers or agents may be required to make.

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LEGAL MATTERS

The validity of each of the securities offered by this prospectus will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York.

EXPERTS

The consolidated financial statements of Peabody Energy Corporation incorporated by reference in Peabody Energy Corporation's Annual Report on Form 10-K for the year ended December 31, 2005 (including schedules appearing therein), and Peabody Energy Corporation's management's assessment of the effectiveness of internal control over financial reporting as of December 31, 2005 included and incorporated by reference therein, have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included and incorporated by reference therein, and incorporated herein by reference. Such consolidated financial statements and management's assessment are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the Securities and Exchange Commission, or SEC. You may access and read our SEC filings, through the SEC's Internet site at www.sec.gov. This site contains reports and other information that we file electronically with the SEC. You may also read and copy any document we file at the SEC's public reference room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our filings with the SEC are also available to the public on our website at <http://www.peabodyenergy.com>. Information contained on our website is not part of this prospectus or any prospectus supplement. In addition, reports, proxy statements and other information concerning us may be inspected at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

We have filed with the SEC a registration statement under the Securities Act with respect to the securities offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information presented in the registration statement and its exhibits and schedules. Our descriptions in this prospectus of the provisions of documents filed as exhibits to the registration statement or otherwise filed with the SEC are only summaries of the terms of those documents that we consider material. If you want a complete description of the content of the documents, you should obtain the documents yourself by following the procedures described above.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We have elected to incorporate by reference certain information into this prospectus, which means we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus.

We incorporate by reference our:

Annual report on Form 10-K for the year ended December 31, 2005, as filed on March 6, 2006 (as amended by the Form 10-K/A filed on March 7, 2006);

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Quarterly Report on Form 10-Q for the quarter ended March 31, 2006, as filed on May 9, 2006;

Current Reports on Form 8-K filed with the SEC on May 10, 2006 and July 7, 2006; and

Form 8-A filed with the SEC on May 1, 2001, including any amendments or supplements thereto.

We are also incorporating by reference all other reports that we file in the future with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until the date of the completion of this offering; provided, however, that we are not incorporating any information furnished under either Item 2.02 or Item 7.01 of any current report on Form 8-K. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement that is modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

You may request copies of the filings, at no cost, by telephone at (314) 342-3400 or by mail at: Peabody Energy Corporation, 701 Market Street, Suite 700, St. Louis, Missouri 63101, attention: Investor Relations.

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PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. *Other Expenses of Issuance and Distribution.*

The following table reflects an itemization of all fees and expenses, other than underwriting discounts and commissions, incurred or expected to be incurred by Peabody Energy Corporation in connection with the issuance and distribution of the securities being registered hereby. All but the Securities and Exchange Commission registration fee are estimates and remain subject to future contingencies.

Securities and Exchange Commission registration fee	\$ (1)
Legal fees and expenses	250,000
Accounting fees and expenses	100,000
Trustees' fees and expenses	9,000
Printing and engraving fees	130,000
Blue Sky fees and expenses	15,000
Miscellaneous expenses	55,000
Total	\$

(1) Deferred in reliance upon Rules 456(b) and 457(r), except for \$353,100, which has already been paid with respect to \$3,000,000,000 aggregate initial offering price of securities of the Registrants previously registered and remaining unissued under the Registration Statement on Form S-3 (No. 333-124749) of the Registrants filed on May 9, 2005. Pursuant to Rule 457(p), such unutilized filing fee paid with respect to Registration Statement No. 333-124749 will be used to offset the

registration fee
payable with
respect to the first
\$3,000,000,000
aggregate initial
offering price of
Securities offered
with respect to
this Registration
Statement.

Item 15. Indemnification of Directors and Officers.

Section 145 of the Delaware General Corporation Law provides that, among other things, a corporation may indemnify directors and officers as well as other employees and agents of the corporation against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with threatened, pending or completed actions, suits or proceedings, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation, a derivative action), if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. A similar standard is applicable in the case of derivative actions, except that indemnification only extends to expenses (including attorneys' fees) incurred in connection with the defense or settlement of such actions, and the statute requires court approval before there can be any indemnification where the person seeking indemnification has been found liable to the corporation. The statute provides that it is not exclusive of other indemnification that may be granted by a corporation's by-laws, disinterested director vote, stockholder vote, agreement or otherwise.

Article Sixth of the registrant's third amended and restated certificate of incorporation (as amended) and Article IV of the registrant's amended and restated by-laws requires indemnification to the fullest extent permitted by Delaware law. The registrant has also obtained officers' and directors' liability insurance which insures against liabilities that officers and directors of the registrant, in such capacities, may incur. The registrant's third amended and restated certificate of incorporation (as amended) requires the advancement of expenses incurred by officers or directors in relation to any action, suit or proceeding.

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Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability (i) for any transaction from which the director derives an improper personal benefit, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law (certain illegal distributions) or (iv) for any breach of a director's duty of loyalty to the company or its stockholders. Article Sixth of the registrant's third amended and restated certificate of incorporation (as amended) includes such a provision.

In connection with the registrant's existing indemnification procedures and policies and the rights provided for by its third amended and restated certificate of incorporation (as amended) and amended and restated by-laws, the registrant has executed indemnification agreements with its directors and certain senior executive officers.

Pursuant to those agreements, to the fullest extent permitted by the laws of the State of Delaware, the registrant has agreed to indemnify those persons against any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that the indemnified person is or was or has agreed to serve at the request of the registrant as a director, officer, employee or agent of the registrant, or while serving as a director or officer of the registrant, is or was serving or has agreed to serve at the request of the registrant as a director, officer, employee or agent (which, for purposes of the indemnification agreements, includes a trustee, partner, manager or a position of similar capacity) of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity. The indemnification provided by these agreements is from and against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the indemnified person or on his or her behalf in connection with the action, suit or proceeding and any appeal therefrom, but shall only be provided if the indemnified person acted in good faith and in a manner the indemnified person reasonably believed to be in or not opposed to the best interests of the registrant, and, with respect to any criminal action, suit or proceeding, had no reasonable cause to believe the indemnified person's conduct was unlawful.

Item 16.*(a) Exhibits***Exhibit**

No.	Description of Exhibit
1.1**	Form of Underwriting Agreement (Debt)
1.2**	Form of Underwriting Agreement (Equity)
1.3**	Form of Underwriting Agreement (Preferred Stock)
1.4**	Form of Underwriting Agreement (Units)
1.5**	Form of Underwriting Agreement (Warrants)
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Exhibit No.	Description of Exhibit
4.1	Rights Agreement, dated as of July 24, 2002, between the Company and EquiServe Trust Company, N.A., as Rights Agent (which includes the form of Certificate of Designations of Series A Junior Preferred Stock of the Company as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C) (incorporated herein by reference to Exhibit 4.1 to the Company's Registration Statement on Form 8-A, filed on July 24, 2002)
4.2	Certificate of Designations of Series A Junior Participating Preferred Stock of the Company, filed with the Secretary of State of the State of Delaware on July 24, 2002 (incorporated herein by reference to Exhibit 3.1 to the Company's Registration Statement on Form 8-A, filed on July 24, 2002)
4.3	Certificate of Adjustment delivered by the Registrant to Equiserve Trust Company, NA., as Rights Agent, on March 29, 2005 (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to the Registrant's Registration Statement on Form 8-A filed on March 29, 2005)
4.4	Certificate of Adjustment delivered by the Registrant to American Stock Transfer & Trust Company, as Rights Agent, on February 22, 2006 (incorporated by reference to Exhibit 4.2 to Amendment No. 1 to the Registrant's Registration Statement on Form 8-A filed on February 22, 2006)
4.5	Specimen of stock certificate representing the Registrant's common stock, \$.01 par value (incorporated by reference to Exhibit 4.13 of the Registrant's Form S-1/A Registration Statement No. 333-55412, filed on May 1, 2002)
4.6	6 7/8% Senior Notes Due 2013 Indenture dated as of March 21, 2003 between the Registrant and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.27 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, filed on May 13, 2003)
4.7	6 7/8% Senior Notes Due 2013 First Supplemental Indenture dated as of May 7, 2003 among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.3 of the Registrant's Form S-4 Registration Statement No. 333-106208, filed on June 17, 2003)
4.8	6 7/8% Senior Notes Due 2013 Second Supplemental Indenture dated as of September 30, 2003 among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.198 of the Registrant's Form S-3 Registration Statement No. 333-109906, filed on October 22, 2003)
4.9	6 7/8% Senior Notes Due 2013 Third Supplemental Indenture, dated as of February 24, 2004, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.211 of the Registrant's Form S-3/A Registration Statement No. 333-109906, filed on March 4, 2004)
4.10	6 7/8% Senior Notes Due 2013 Fourth Supplemental Indenture, dated as of April 22, 2004, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.57 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, filed on August 6, 2004)

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Exhibit No.	Description of Exhibit
4.11	6 7/8% Senior Notes Due 2013 Fifth Supplemental Indenture, dated as of October 18, 2004, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.9 of the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed on March 16, 2005)
4.12	6 7/8% Senior Notes Due 2013 Sixth Supplemental Indenture dated as of January 20, 2005, among Peabody Energy Corporation, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, filed on May 6, 2005)
4.13	6 7/8% Senior Notes Due 2013 Seventh Supplemental Indenture, dated as of September 30, 2005, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (as defined therein) (incorporated by reference to Exhibit 4.1 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, filed on November 8, 2005)
4.14	6 7/8% Senior Notes Due 2013 Eighth Supplemental Indenture, dated as of January 20, 2006, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.14 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005, filed on March 6, 2006)
4.15	5 7/8% Senior Notes Due 2016 Indenture dated as of March 19, 2004 between the Registrant and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.12 of the Registrant's Quarterly Report on Form 10-Q for the Quarter ended March 31, 2004, filed on May 10, 2004)
4.16	5 7/8% Senior Notes Due 2016 First Supplemental Indenture dated as of March 23, 2004 between the Registrant and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K dated March 23, 2004)
4.17	5 7/8% Senior Notes Due 2016 Second Supplemental Indenture, dated as of April 22, 2004, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 10.58 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2004, filed on August 6, 2004)
4.18	5 7/8% Senior Notes Due 2016 Third Supplemental Indenture, dated as of October 18, 2004, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 2004, filed on March 16, 2005)
4.19	5 7/8% Senior Notes Due 2016 Fourth Supplemental Indenture, dated as of January 20, 2005, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005, filed on May 6, 2005)

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Exhibit No.	Description of Exhibit
4.20	5 7/8% Senior Notes Due 2016 Fifth Supplemental Indenture, dated as of September 30, 2005, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2005, filed on November 8, 2005)
4.21	5 7/8% Senior Notes Due 2016 Sixth Supplemental Indenture, dated as of January 20, 2006, among the Registrant, the Guaranteeing Subsidiaries (as defined therein), and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.21 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 2005, filed on March 6, 2006)
4.22	Senior Indenture (incorporated by reference to Exhibit 4.12 of the Registrant's Quarterly Report on Form 10-Q for the quarter ended March 31, 2004, filed on May 10, 2004)
4.23*	Form of Subordinated Indenture
4.24*	Form of Senior Security
4.25*	Form of Subordinated Security (included in Exhibit 4.23)
4.26**	Form of Warrant Agreement
4.27**	Form of preferred stock share certificate
5*	Opinion of Simpson Thacher & Bartlett LLP
12*	Computation in support of ratio of earnings to fixed charges
23.1*	Consent of Simpson Thacher & Bartlett LLP (included in Exhibit 5)
23.2*	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm
24*	Power of Attorney (included on signature pages)
25	Form T-1 statement of eligibility and qualification under the Trust Indenture Act of 1939 of U.S. Bank National Association as trustee under the indenture with respect to the senior debt securities (incorporated by reference to Exhibit 25.1 of the Registrant's Current Report on Form 8-K dated March 19, 2004)
26*	Form T-1 statement of eligibility and qualification under the Trust Indenture Act of 1939 of U.S. Bank National Association as trustee under the indenture with respect to the subordinated debt securities

* Filed herewith

** To be filed by
amendment or

as an exhibit to
a document to
be incorporated
by reference
herein

Item 17. *Undertakings.*

The undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post effective amendment to this registration statement:

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- (i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the Securities Act);
 - (ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Securities and Exchange Commission (the Commission) pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
 - (iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;
Provided, however, that paragraphs (1)(i), (1)(ii) and (1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is a part of the registration statement.
- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
 - (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
 - (4) That, for the purpose of determining liability under the Securities Act to any purchaser:
 - (i) Each prospectus filed by a registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the

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registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

- (5) That, for the purpose of determining liability of the registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.
- (6) That, for purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.
- (7) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of

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whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

- (8) To file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act of 1939.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri as of July 27, 2006.

PEABODY ENERGY CORPORATION

BY: /s/ GREGORY H. BOYCE

Gregory H. Boyce
President, Chief Executive Officer and Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ GREGORY H. BOYCE	President, Chief Executive Officer and
Gregory H. Boyce	Director (Principal Executive Officer)
/s/ RICHARD A. NAVARRE	Chief Financial Officer and Executive Vice President of
Richard A. Navarre	Corporate Development (Principal Financial and Accounting Officer)
/s/ IRL F. ENGELHARDT	Chairman and Director
Irl F. Engelhardt	
/s/ B. R. BROWN	Director
B. R. Brown	
/s/ WILLIAM A. COLEY	Director
William A. Coley	
/s/ HENRY GIVENS, JR.	Director

Henry Givens, Jr.

/s/ WILLIAM E. JAMES

Director

William E. James

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Signature	Title
/s/ ROBERT B. KARN III	Director
Robert B. Karn III	
/s/ HENRY E. LENTZ	Director
Henry E. Lentz	
/s/ WILLIAM C. RUSNACK	Director
William C. Rusnack	
/s/ JAMES R. SCHLESINGER	Director
James R. Schlesinger	
/s/ BLANCHE M. TOUHILL	Director
Blanche M. Touhill	
/s/ JOHN F. TURNER	Director
John F. Turner	
/s/ SANDRA VAN TREASE	Director
Sandra Van Trease	
/s/ ALAN H. WASHKOWITZ	Director
Alan H. Washkowitz	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri as of July 27, 2006.

AFFINITY MINING COMPANY

By: /s/ JIRI NEMEC
Jiri Nemec
President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ JIRI NEMEC	President and Director
Jiri Nemec	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	
/s/ GREGORY H. BOYCE	Director
Gregory H. Boyce	
/s/ RICHARD A. NAVARRE	Director
Richard A. Navarre	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

AMERICAN LAND DEVELOPMENT, LLC

By: PEABODY INVESTMENTS CORP.,
its Sole Member

By: /s/ WALTER L. HAWKINS, JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ ROGER B. WALCOTT, JR.	President
Roger B. Walcott, Jr.	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

AMERICAN LAND HOLDINGS OF ILLINOIS, LLC

By: AMERICAN LAND DEVELOPMENT, LLC,
its Sole Member

By: /s/ WALTER L. HAWKINS, JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ ROGER B. WALCOTT, JR.	President
Roger B. Walcott, Jr.	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

AMERICAN LAND HOLDINGS OF INDIANA, LLC

By: AMERICAN LAND DEVELOPMENT, LLC,
its Sole Member

By: /s/ WALTER L. HAWKINS, JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ ROGER B. WALCOTT, JR.	President
Roger B. Walcott, Jr.	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

AMERICAN LAND HOLDINGS OF KENTUCKY, LLC

By: AMERICAN LAND DEVELOPMENT, LLC,
its Sole Member

By: /s/ WALTER L. HAWKINS, JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ GREGORY H. BOYCE	President
Gregory H. Boyce	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

APPALACHIA MINE SERVICES, LLC

By: EASTERN COAL COMPANY,
LLC
its Sole Member

By: /s/ WALTER L. HAWKINS, JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ JIRI NEMEC	President
Jiri Nemec	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

ARCLAR COMPANY, LLC

By: BLACK BEAUTY COAL
COMPANY,
its Sole Member

By: /s/ WALTER L. HAWKINS,
JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ MARK CAVINDER	President
Mark Cavinder	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

ARID OPERATIONS INC.

By: /s/ ROGER B. WALCOTT,
JR.

Roger B. Walcott, Jr.
President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ ROGER B. WALCOTT, JR.	President and Director
Roger B. Walcott, Jr.	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	
/s/ RICHARD A. NAVARRE	Director
Richard A. Navarre	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

BEAVER DAM COAL COMPANY

By: /s/ JAMES C. SEVEM

James C. Sevem
President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ JAMES C. SEVEM	President and Director
James C. Sevem	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	
/s/ L. BRENT STOTTLEMYRE	Director
L. Brent Stottlemire	
/s/ FREDRICK D. PALMER	Director
Fredrick D. Palmer	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

BIG RIDGE, INC.

By: /s/ BRYAN A. GALLI

Bryan A. Galli
President

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ BRYAN A. GALLI	President
Bryan A. Galli	
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	
/s/ RICHARD A. NAVARRE	Director
Richard A. Navarre	
/s/ FREDRICK D. PALMER	Director
Fredrick D. Palmer	
/s/ L. BRENT STOTTLEMYRE	Director
L. Brent Stottlemire	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

BIG SKY COAL COMPANY

By: /s/ WALTER L. HAWKINS, JR.

Walter L. Hawkins, Jr.
Vice President and Treasurer

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors and/or officers whose signature appears below hereby constitutes and appoints Gregory H. Boyce, Richard A. Navarre, Jeffery L. Klinger and Joseph W. Bean, or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, and does hereby grant unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed on the 27th day of July, 2006 by the following persons in the capacities indicated:

Signature	Title
/s/ WALTER L. HAWKINS, JR.	Vice President and Treasurer
Walter L. Hawkins, Jr.	
/s/ GREGORY H. BOYCE	Director
Gregory H. Boyce	
/s/ RICHARD A. NAVARRE	Director
Richard A. Navarre	
/s/ KEMAL WILLIAMSON	Director
Kemal Williamson	
/s/ MARK R. YINGLING	Director
Mark R. Yingling	

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SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of St. Louis, State of Missouri on July 27, 2006.

\$70 ~~\$-\$~~\$129 \$199

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

	Nine Months Ended September 30, 2018				
	Employee-Related Costs	Incremental Depreciation	Asset Impairments	Other	Total
Balance at December 31, 2017	\$ 127	\$ —	\$ —	\$ 107	\$ 234
Charges	44	1	7	63	115
Cash payments	(89)	—	—	(46)	(135)
Charges against assets	(8)	(1)	(7)	—	(16)
Foreign exchange	(4)	—	—	—	(4)
Other	—	—	—	5	5
Balance at September 30, 2018	\$ 70	\$ —	\$ —	\$ 129	\$ 199

Employee-Related Costs primarily include severance and other termination benefits and are calculated based on long-standing benefit practices, local statutory requirements and, in certain cases, voluntary termination arrangements. Employee-Related Costs also include pension and other retiree benefit enhancements amounting to \$1 and \$8 for the three and nine months ended September 30, 2018, respectively, which are reflected as Charges against assets within Employee-Related Costs in the preceding tables as the corresponding balance sheet amounts are reflected as a reduction of pension assets or an increase in pension and other retiree benefit liabilities. See Note 10, Retirement Plans and Other Retiree Benefits for additional information.

Incremental Depreciation is recorded to reflect changes in useful lives and estimated residual values for long-lived assets that will be taken out of service prior to the end of their normal service period. Asset Impairments are recorded to write down inventories and assets held for sale or disposal to their fair value based on amounts expected to be realized. Charges against assets within Asset Impairments are net of cash proceeds pertaining to the sale of certain assets.

Other charges consist primarily of charges resulting directly from exit activities and the implementation of new strategies as a result of the Global Growth and Efficiency Program. These charges for the three and nine months ended September 30, 2018 include third-party incremental costs related to the development and implementation of new business and strategic initiatives of \$11 and \$31, respectively, and contract termination costs and charges resulting directly from exit activities of \$1 and \$32, respectively. These charges were expensed as incurred.

6. Inventories

Inventories by major class are as follows:

	September 30, 2018	December 31, 2017
Raw materials and supplies	\$ 248	\$ 267
Work-in-process	40	42
Finished goods	957	912
Total Inventories	\$ 1,245	\$ 1,221

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

7. Shareholders' Equity

Changes in the components of Shareholders' Equity for the nine months ended September 30, 2018 are as follows:

	Colgate-Palmolive Company Shareholders' Equity						Noncontrolling Interests
	Common Stock	Additional Paid-in Capital	Unearned Compensation	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
Balance, December 31, 2017	\$1,466	\$1,984	\$ (5)	\$(20,181)	\$20,531	\$ (3,855)	\$ 303
Net income					1,794		121
Other comprehensive income (loss), net of tax						(154)	(25)
Dividends					(1,450)		(37)
Stock-based compensation expense		97					
Shares issued for stock options		133		188			
Shares issued for restricted stock units		(31)		31			
Treasury stock acquired				(956)			
Other		—	6	2	133	(163)	(1)
Balance, September 30, 2018	\$1,466	\$2,183	\$ 1	\$(20,916)	\$21,008	\$ (4,172)	\$ 362

⁽¹⁾ As a result of the early adoption of ASU 2018-02, the Company reclassified the stranded tax effects in Accumulated other comprehensive income (loss) resulting from the TCJA to Retained earnings. See Note 3, Recent Accounting Pronouncements and Updated Accounting Policies for additional information.

Accumulated other comprehensive income (loss) includes cumulative translation losses of \$3,159 and \$2,927 at September 30, 2018 and December 31, 2017, respectively, and unrecognized retirement plan and other retiree benefits costs of \$1,017 and \$923 at September 30, 2018 and December 31, 2017, respectively.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

8. Earnings Per Share

For the three months ended September 30, 2018 and 2017, earnings per share were as follows:

	Three Months Ended September 30, 2018			September 30, 2017		
	Net income attributable to Colgate-Palmolive Company	Shares (millions)	Per Share	Net income attributable to Colgate-Palmolive Company	Shares (millions)	Per Share
Basic EPS	\$523	868.8	\$0.60	\$607	880.7	\$0.69
Stock options and restricted stock units		2.3			5.6	
Diluted EPS	\$523	871.1	\$0.60	\$607	886.3	\$0.68

For the three months ended September 30, 2018 and 2017, the average number of stock options and restricted stock units that were anti-dilutive and not included in diluted earnings per share calculations were 17,373,432 and 9,502,329, respectively.

For the nine months ended September 30, 2018 and 2017, earnings per share were as follows:

	Nine Months Ended September 30, 2018			September 30, 2017		
	Net income attributable to Colgate-Palmolive Company	Shares (millions)	Per Share	Net income attributable to Colgate-Palmolive Company	Shares (millions)	Per Share
Basic EPS	\$1,794	871.9	\$2.06	\$1,701	883.0	\$1.93
Stock options and restricted stock units		3.1			6.3	
Diluted EPS	\$1,794	875.0	\$2.05	\$1,701	889.3	\$1.91

For the nine months ended September 30, 2018 and 2017, the average number of stock options and restricted stock units that were anti-dilutive and not included in diluted earnings per share calculations were 16,602,521 and 9,209,060, respectively.

Basic and diluted earnings per share are computed independently for each quarter and any year-to-date period presented. As a result of changes in the number of shares outstanding during the year and rounding, the sum of the quarters' earnings per share may not necessarily equal the earnings per share for any year-to-date period.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

9. Other Comprehensive Income (Loss)

Additions to and reclassifications out of Accumulated other comprehensive income (loss) attributable to the Company for the three months ended September 30, 2018 and 2017 were as follows:

	2018		2017	
	Net		Net of	
	Pretax of		Pretax	
	Tax		Tax	
Cumulative translation adjustments	\$(38)	\$(38)	\$48	\$62
Retirement plans and other retiree benefits:				
Net actuarial gain (loss) and prior service costs arising during the period	24	18	72	45
Amortization of net actuarial loss, transition and prior service costs ⁽¹⁾	16	13	15	9
Retirement plans and other retiree benefits adjustments	40	31	87	54
Cash flow hedges:				
Unrealized gains (losses) on cash flow hedges	(2)	(1)	(8)	(5)
Reclassification of (gains) losses into net earnings on cash flow hedges ⁽²⁾	—	—	4	2
Gains (losses) on cash flow hedges	(2)	(1)	(4)	(3)
Total Other comprehensive income (loss)	\$—	\$(8)	\$131	\$113

⁽¹⁾ These components of Other comprehensive income (loss) are included in the computation of total pension cost. See Note 10, Retirement Plans and Other Retiree Benefits for additional details.

⁽²⁾ These (gains) losses are reclassified into Cost of sales. See Note 14, Fair Value Measurements and Financial Instruments for additional details.

There were no tax impacts on Other comprehensive income (loss) attributable to Noncontrolling interests.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

Additions to and reclassifications out of Accumulated other comprehensive income (loss) attributable to the Company for the nine months ended September 30, 2018 and 2017 were as follows:

	2018		2017	
	Pretax	Net of Tax	Pretax	Net of Tax
Cumulative translation adjustments	\$(216)	\$(222)	\$208	\$283
Retirement plans and other retiree benefits:				
Net actuarial gain (loss) and prior service costs arising during the period	24	18	72	45
Amortization of net actuarial loss, transition and prior service costs ⁽¹⁾	52	41	52	34
Retirement plans and other retiree benefits adjustments	76	59	124	79
Cash flow hedges:				
Unrealized gains (losses) on cash flow hedges	4	3	(28)	(17)
Reclassification of (gains) losses into net earnings on cash flow hedges ⁽²⁾	8	6	2	1
Gains (losses) on cash flow hedges	12	9	(26)	(16)
Total Other comprehensive income (loss)	\$(128)	\$(154)	\$306	\$346

⁽¹⁾ These components of Other comprehensive income (loss) are included in the computation of total pension cost. See Note 10, Retirement Plans and Other Retiree Benefits for additional details.

⁽²⁾ These (gains) losses are reclassified into Cost of sales. See Note 14, Fair Value Measurements and Financial Instruments for additional details.

There were no tax impacts on Other comprehensive income (loss) attributable to Noncontrolling interests.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

10. Retirement Plans and Other Retiree Benefits

Components of Net periodic benefit cost for the three and nine months ended September 30, 2018 and 2017 were as follows:

	Pension Benefits				Other Retiree Benefits	
	United States		International			
	Three Months Ended September 30,					
	2018	2017	2018	2017	2018	2017
Service cost	\$—	\$—	\$ 3	\$ 4	\$3	\$3
Interest cost	21	23	5	6	9	9
ESOP offset	—	—	—	—	—	(1)
Expected return on plan assets	(28)	(28)	(5)	(5)	(1)	—
Amortization of transition and prior service costs (credits)	—	—	—	—	—	—
Amortization of actuarial loss (gain)	12	12	2	2	2	1
Net periodic benefit cost	\$5	\$ 7	\$ 5	\$ 7	\$13	\$12

	Pension Benefits				Other Retiree Benefits	
	United States		International			
	Nine Months Ended September 30,					
	2018	2017	2018	2017	2018	2017
Service cost	\$1	\$1	\$10	\$11	\$11	\$11
Interest cost	64	70	16	16	28	30
ESOP offset	—	—	—	—	—	(1)
Expected return on plan assets	(86)	(83)	(16)	(15)	(1)	—
Amortization of transition and prior service costs (credits)	—	—	—	—	—	—
Amortization of actuarial loss (gain)	35	36	6	7	11	9
Net periodic benefit cost	\$14	\$24	\$16	\$19	\$49	\$49

For the nine months ended September 30, 2018 and 2017, the Company made voluntary contributions to its U.S. postretirement plans of \$67 and \$81, respectively.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

11. Income Taxes

On December 22, 2017, the TCJA was enacted, which, among other things, lowered the U.S. corporate income tax rate to 21% from 35% and established a modified territorial system requiring a mandatory deemed repatriation tax on undistributed earnings of foreign subsidiaries. Beginning in 2018, the TCJA also requires a minimum tax on certain earnings generated by foreign subsidiaries while providing for tax-free repatriation of such earnings through a 100% dividends-received deduction. The Company's effective income tax rate in 2017 included a provisional charge of \$275, recorded in the fourth quarter of 2017, based on its initial analysis of the TCJA using information and estimates available as of February 15, 2018, the date on which the Company filed its Annual Report on Form 10-K for the year ended December 31, 2017. During the third quarter of 2018, the Company recognized an additional provisional transition tax expense of \$80 reflecting the impact of transition tax guidance issued by the U.S. Treasury through the third quarter of 2018 and the update of certain estimates and calculations based on information available through the third quarter of 2018.

Given the significant complexity of the TCJA, recent and anticipated further guidance from the U.S. Treasury about implementing the TCJA and the potential for additional guidance from the SEC or the FASB related to the TCJA or additional information becoming available, the Company's provisional charge may be adjusted further. The aforementioned guidance and additional information regarding the TCJA may also impact the Company's 2018 effective income tax rate, exclusive of any adjustment to the provisional charge.

The Company has taken a tax position in a foreign jurisdiction since 2002 that has been challenged by the local tax authorities. In May 2015, the Company became aware of several rulings by the Supreme Court in this foreign jurisdiction disallowing certain tax deductions, which had the effect of reversing prior decisions. The Company had taken deductions in prior years similar to those disallowed by such court and, as a result, as required, reassessed its tax position and increased its unrecognized tax benefits in 2015.

In 2016, the Supreme Court in the foreign jurisdiction decided the matter in the Company's favor for the years 2002 through 2005. Also in 2016, the Administrative Court in the foreign jurisdiction decided the matter in the Company's favor for the years 2008 through 2011 by acknowledging the Supreme Court's ruling for the years 2002 through 2005, which eliminated the possibility of future appeals. As a result, the Company recorded a tax benefit of \$30, including interest, in 2016.

In March 2018, the lower courts ruled in the Company's favor for the years 2006, 2007 and 2012 through 2014. The deadline for the local tax authorities to appeal has now passed, and the Company considers all outstanding disputes on this matter resolved. As a result, the Company recorded an additional tax benefit of \$15, including interest, during the second quarter of 2018.

As a result of the early adoption of ASU No. 2018-02, the Company reclassified \$163 of stranded tax effects in Accumulated other comprehensive income (loss) resulting from the TCJA to Retained earnings during the first quarter of 2018. See Note 3, Recent Accounting Pronouncements and Updated Accounting Policies for additional information.

12. Contingencies

As a global company serving consumers in more than 200 countries and territories, the Company is routinely subject to a wide variety of legal proceedings. These include disputes relating to intellectual property, contracts, product liability, marketing, advertising, foreign exchange controls, antitrust and trade regulation, as well as labor and employment, pension, privacy, environmental and tax matters and consumer class actions. Management proactively reviews and monitors the Company's exposure to, and the impact of, environmental matters. The Company is party to various environmental matters and, as such, may be responsible for all or a portion of the cleanup, restoration and post-closure monitoring of several sites.

The Company establishes accruals for loss contingencies when it has determined that a loss is probable and that the amount of loss, or range of loss, can be reasonably estimated. Any such accruals are adjusted thereafter as appropriate to reflect changes in circumstances.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

The Company also determines estimates of reasonably possible losses or ranges of reasonably possible losses in excess of related accrued liabilities, if any, when it has determined that a loss is reasonably possible and it is able to determine such estimates. For those matters disclosed below for which the amount of any potential losses can be reasonably estimated, the Company currently estimates that the aggregate range of reasonably possible losses in excess of any accrued liabilities is \$0 to approximately \$200 (based on current exchange rates). The estimates included in this amount are based on the Company's analysis of currently available information and, as new information is obtained, these estimates may change. Due to the inherent subjectivity of the assessments and the unpredictability of outcomes of legal proceedings, any amounts accrued or included in this aggregate amount may not represent the ultimate loss to the Company. Thus, the Company's exposure and ultimate losses may be higher or lower, and possibly significantly so, than the amounts accrued or the range disclosed above.

Based on current knowledge, management does not believe that the ultimate resolution of loss contingencies arising from the matters discussed herein will have a material effect on the Company's consolidated financial position or its ongoing results of operations or cash flows. However, in light of the inherent uncertainties noted above, an adverse outcome in one or more matters could be material to the Company's results of operations or cash flows for any particular quarter or year.

Brazilian Matters

There are certain tax and civil proceedings outstanding, as described below, related to the Company's 1995 acquisition of the Kolynos oral care business from Wyeth (the "Seller").

The Brazilian internal revenue authority has disallowed interest deductions and foreign exchange losses taken by the Company's Brazilian subsidiary for certain years in connection with the financing of the Kolynos acquisition. The tax assessments with interest, penalties and any court-mandated fees, at the current exchange rate, are approximately \$139. This amount includes additional assessments received from the Brazilian internal revenue authority in April 2016 relating to net operating loss carryforwards used by the Company's Brazilian subsidiary to offset taxable income that had also been deducted from the authority's original assessments. The Company has been disputing the disallowances by appealing the assessments since October 2001. Appeals are currently pending at the administrative level. In the event the Company is ultimately unsuccessful in its administrative appeals, further appeals are available within the Brazilian federal courts.

In September 2015, the Company lost one of its appeals at the administrative level and filed a lawsuit in Brazilian federal court. In February 2017, the Company lost an additional administrative appeal and filed a lawsuit in Brazilian federal court. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel, that the disallowances are without merit and that the Company should ultimately prevail. The Company is challenging these disallowances vigorously.

In July 2002, the Brazilian Federal Public Attorney filed a civil action against the federal government of Brazil, Laboratorios Wyeth-Whitehall Ltda. (the Brazilian subsidiary of the Seller) and the Company, as represented by its Brazilian subsidiary, in the 6th. Lower Federal Court in the City of São Paulo, seeking to annul an April 2000 decision by the Brazilian Board of Tax Appeals that found in favor of the Seller's Brazilian subsidiary on the issue of whether it had incurred taxable capital gains as a result of the divestiture of Kolynos. The action seeks to make the Company's Brazilian subsidiary jointly and severally liable for any tax due from the Seller's Brazilian subsidiary. The case has been pending since 2002, and the Lower Federal Court has not issued a decision. Although there can be no assurances,

management believes, based on the opinion of its Brazilian legal counsel, that the Company should ultimately prevail in this action. The Company is challenging this action vigorously.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

In December 2005, the Brazilian internal revenue authority issued to the Company's Brazilian subsidiary a tax assessment with interest, penalties and any court-mandated fees of approximately \$62, at the current exchange rate, based on a claim that certain purchases of U.S. Treasury bills by the subsidiary and their subsequent disposition during the period 2000 to 2001 were subject to a tax on foreign exchange transactions. The Company had been disputing the assessment within the internal revenue authority's administrative appeals process. However, in November 2015, the Superior Chamber of Administrative Tax Appeals denied the Company's final administrative appeal, and the Company has filed a lawsuit in the Brazilian federal court. In the event the Company is unsuccessful in this lawsuit, further appeals are available within the Brazilian federal courts. Although there can be no assurances, management believes, based on the opinion of its Brazilian legal counsel, that the tax assessment is without merit and that the Company should ultimately prevail. The Company is challenging this assessment vigorously.

Competition Matters

Certain of the Company's subsidiaries have historically been subject to investigations, and, in some cases, fines, by governmental authorities in a number of countries related to alleged competition law violations. Substantially all of these matters also involved other consumer goods companies and/or retail customers. The Company's policy is to comply with antitrust and competition laws and, if a violation of any such laws is found, to take appropriate remedial action and to cooperate fully with any related governmental inquiry. The status of pending competition law matters as of September 30, 2018 is set forth below.

In December 2014, the French competition law authority found that 13 consumer goods companies, including the Company's French subsidiary, exchanged competitively sensitive information related to the French home care and personal care sectors, for which the Company's French subsidiary was fined \$57. In addition, as a result of the Company's acquisition of the Sanex personal care business in 2011 from Unilever N.V. and Unilever PLC (together with Unilever N.V., "Unilever"), pursuant to a Business and Share Sale and Purchase Agreement (the "Sale and Purchase Agreement"), the French competition law authority found that the Company's French subsidiary, along with Hillshire Brands Company (formerly Sara Lee Corporation ("Sara Lee")), were jointly and severally liable for fines of \$25 assessed against Sara Lee's French subsidiary. The Company is indemnified for these fines by Unilever pursuant to the Sale and Purchase Agreement. The fines were confirmed by the Court of Appeal in October 2016. The Company is appealing the decision of the Court of Appeal on behalf of the Company and Sara Lee in the French Supreme Court.

In July 2014, the Greek competition law authority issued a statement of objections alleging a restriction of parallel imports into Greece. The Company responded to this statement of objections. In July 2017, the Company received the decision from the Greek competition law authority in which the Company was fined \$11. The Company is appealing the decision to the Greek courts.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

Talcum Powder Matters

The Company has been named as a defendant in civil actions alleging that certain talcum powder products that were sold prior to 1996 were contaminated with asbestos. Most of these actions involve a number of co-defendants from a variety of different industries, including suppliers of asbestos and manufacturers of products that, unlike the Company's products, were designed to contain asbestos. As of September 30, 2018, there were 215 individual cases pending against the Company in state and federal courts throughout the United States, as compared to 222 cases as of June 30, 2018 and 193 cases as of December 31, 2017. During the three months ended September 30, 2018, 23 new cases were filed and 30 cases were resolved by voluntary dismissal or settlement. During the nine months ended September 30, 2018, 90 new cases were filed and 68 cases were resolved by voluntary dismissal, judgment in the Company's favor or settlement. The value of settlements in the quarter and the year-to-date period presented was not material, either individually or in the aggregate, to each such period's results of operations.

The Company believes that a significant portion of its costs incurred in defending and resolving these claims will be covered by insurance policies issued by several primary, excess and umbrella insurance carriers, subject to deductibles, exclusions, retentions and policy limits.

While the Company and its legal counsel believe that these cases are without merit and intend to challenge them vigorously, there can be no assurances regarding the ultimate resolution of these matters. Since the amount of any potential losses from these cases currently cannot be reasonably estimated, the range of reasonably possible losses in excess of accrued liabilities disclosed above does not include any amount relating to these cases.

ERISA Matter

In June 2016, a putative class action claiming that residual annuity payments made to certain participants in the Colgate-Palmolive Company Employees' Retirement Income Plan (the "Plan") did not comply with the Employee Retirement Income Security Act was filed against the Plan, the Company and certain individuals in the United States District Court for the Southern District of New York. This action has been certified as a class action. The relief sought includes recalculation of benefits, pre- and post-judgment interest and attorneys' fees. The Company is contesting this action vigorously. Since the amount of any potential loss from this case currently cannot be reasonably estimated, the range of reasonably possible losses in excess of accrued liabilities disclosed above does not include any amount relating to the case.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

13. Segment Information

The Company operates in two product segments: Oral, Personal and Home Care; and Pet Nutrition.

The operations of the Oral, Personal and Home Care product segment are managed geographically in five reportable operating segments: North America, Latin America, Europe, Asia Pacific and Africa/Eurasia.

The Company evaluates segment performance based on several factors, including Operating profit. The Company uses Operating profit as a measure of operating segment performance because it excludes the impact of Corporate-driven decisions related to interest expense and income taxes.

Effective January 1, 2018, as required, the Company adopted ASU No. 2017-07, “Compensation–Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost” on a retrospective basis. To conform to the current year’s presentation, for the three and nine months ended September 30, 2017, the Company reclassified \$30 and \$82, respectively, of non-service related components of pension and other postretirement costs, which was previously deducted from Operating profit, to a new line item, “Non-service related postretirement costs,” which is below Operating profit. The impact of the reclassification from Operating profit by segment for the three months ended September 30, 2017 is as follows: North America \$15, Latin America \$2, Europe \$1, Asia Pacific \$0, Africa/Eurasia \$0, Pet Nutrition \$6 and Corporate \$6. The impact of the reclassification from Operating profit by segment for the nine months ended September 30, 2017 is as follows: North America \$43, Latin America \$5, Europe \$4, Asia Pacific \$1, Africa/Eurasia \$1, Pet Nutrition \$18 and Corporate \$10. The reclassification had no effect on Net income attributable to Colgate-Palmolive Company, Earnings per common share or Cash flow.

The accounting policies of the operating segments are generally the same as those described in Note 2, Summary of Significant Accounting Policies to the Company’s Consolidated Financial Statements included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2017. Intercompany sales have been eliminated. Corporate operations include costs related to stock options and restricted stock units, research and development costs, Corporate overhead costs, restructuring and related implementation charges and gains and losses on sales of non-core product lines and assets. The Company reports these items within Corporate operations as they relate to Corporate-based responsibilities and decisions and are not included in the internal measures of segment operating performance used by the Company to measure the underlying performance of the operating segments.

Net sales by segment were as follows:

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
Net sales				
Oral, Personal and Home Care				
North America	\$858	\$795	\$2,509	\$2,319
Latin America	856	985	2,718	2,911
Europe	640	642	1,908	1,784
Asia Pacific	673	728	2,106	2,111
Africa/Eurasia	236	251	734	738
Total Oral, Personal and Home Care	3,263	3,401	9,975	9,863

Pet Nutrition	582	573	1,758	1,699
Total Net sales	\$3,845	\$3,974	\$11,733	\$11,562

Approximately 70% of the Company's Net sales are generated from markets outside the U.S., with approximately 50% of the Company's Net sales coming from emerging markets (which consist of Latin America, Asia (excluding Japan), Africa/Eurasia and Central Europe).

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

The Company's Net sales of Oral, Personal and Home Care and Pet Nutrition products accounted for the following percentages of the Company's Net sales:

	Three Months Ended September 30, 2018		2017		Nine Months Ended September 30, 2018		2017	
Net sales								
Oral Care	47	%	48	%	47	%	48	%
Personal Care	20	%	20	%	20	%	19	%
Home Care	18	%	18	%	18	%	18	%
Pet Nutrition	15	%	14	%	15	%	15	%
Total Net sales	100	%	100	%	100	%	100	%

Operating profit by segment was as follows:

	Three Months Ended September 30, 2018		2017		Nine Months Ended September 30, 2018		2017	
Operating profit								
Oral, Personal and Home Care								
North America	\$259		\$264		\$780		\$766	
Latin America	222		303		757		883	
Europe	162		163		480		451	
Asia Pacific	191		220		620		645	
Africa/Eurasia	41		44		133		135	
Total Oral, Personal and Home Care	875		994		2,770		2,880	
Pet Nutrition	163		167		492		499	
Corporate	(164)		(204)		(459)		(632)	
Total Operating profit	\$874		\$957		\$2,803		\$2,747	

For the three and nine months ended September 30, 2018, Corporate Operating profit (loss) included charges of \$25 and \$107, respectively, resulting from the Global Growth and Efficiency Program.

For the three and nine months ended September 30, 2017, Corporate Operating profit (loss) included charges of \$47 and \$233, respectively, resulting from the Global Growth and Efficiency Program.

For further information regarding the Global Growth and Efficiency Program, refer to Note 5, Restructuring and Related Implementation Charges.

COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

14. Fair Value Measurements and Financial Instruments

The Company uses available market information and other valuation methodologies in assessing the fair value of financial instruments. Judgment is required in interpreting market data to develop the estimates of fair value and, accordingly, changes in assumptions or the estimation methodologies may affect the fair value estimates. The Company is exposed to the risk of credit loss in the event of nonperformance by counterparties to financial instrument contracts; however, nonperformance is considered unlikely and any nonperformance is unlikely to be material, as it is the Company's policy to contract only with diverse, credit-worthy counterparties based upon both strong credit ratings and other credit considerations.

The Company is exposed to market risk from foreign currency exchange rates, interest rates and commodity price fluctuations. Volatility relating to these exposures is managed on a global basis by utilizing a number of techniques, including working capital management, sourcing strategies, selling price increases, selective borrowings in local currencies and entering into selective derivative instrument transactions, issued with standard features, in accordance with the Company's treasury and risk management policies, which prohibit the use of derivatives for speculative purposes and leveraged derivatives for any purpose. It is the Company's policy to enter into derivative instrument contracts with terms that match the underlying exposure being hedged. Hedge ineffectiveness, if any, is not material for any period presented.

The Company's derivative instruments include interest rate swap contracts, foreign currency contracts and commodity contracts. The Company utilizes interest rate swap contracts to manage its targeted mix of fixed and floating rate debt, and these swaps are valued using observable benchmark rates (Level 2 valuation). The Company utilizes foreign currency contracts, including forward and swap contracts, option contracts, local currency deposits and local currency borrowings to hedge portions of its foreign currency purchases, assets and liabilities arising in the normal course of business and the net investment in certain foreign subsidiaries. These contracts are valued using observable market rates (Level 2 valuation). Commodity futures contracts are utilized to hedge the purchases of raw materials used in production. These contracts are measured using quoted commodity exchange prices (Level 1 valuation). The duration of foreign currency and commodity contracts generally does not exceed 12 months.

The following table summarizes the fair value of the Company's derivative instruments and other financial instruments which are carried at fair value in the Company's Consolidated Balance Sheets at September 30, 2018 and December 31, 2017:

Assets		Liabilities	
Account	Fair Value	Account	Fair Value
	9/30/18		9/30/18
	12/31/17		12/31/17
Designated derivative instruments			
Interest rate swap contracts	Other current assets \$ — \$ —	Other accruals	\$2 \$ —
Interest rate swap contracts	Other assets — —	Other liabilities	16 7
Foreign currency contracts	Other current assets 27 25	Other accruals	12 20
Foreign currency contracts	Other assets — —	Other liabilities	28 46
Commodity contracts	Other current assets — —	Other accruals	1 —
Total designated	\$27 \$ 25		\$59 \$ 73
Other financial instruments			
Marketable securities	Other current assets \$120 \$ 14		

Total other financial instruments	\$120 \$ 14
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COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

(Dollars in Millions Except Share and Per Share Amounts)

(Unaudited)

The carrying amount of cash, cash equivalents, accounts receivable and short-term debt approximated fair value as of September 30, 2018 and December 31, 2017. The estimated fair value of the Company's long-term debt, including the current portion, as of September 30, 2018 and December 31, 2017, was \$6,660 and \$6,799, respectively, and the related carrying value was \$6,604 and \$6,566, respectively. The estimated fair value of long-term debt was derived principally from quoted prices on the Company's outstanding fixed-term notes (Level 2 valuation).

Fair Value Hedges

The Company has designated all interest rate swap contracts and certain foreign currency forward and option contracts as fair value hedges, for which the gain or loss on the derivative and the offsetting gain or loss on the hedged item are recognized in current earnings. The impact of foreign currency contracts is primarily recognized in Selling, general and administrative expenses and the impact of interest rate swap contracts is recognized in Interest (income) expense, net.

Activity related to fair value hedges recorded during the three and nine months ended September 30, 2018 and 2017 was as follows:

	2018			2017		
	Foreign Currency Contracts	Interest Rate Swaps	Total	Foreign Currency Contracts	Interest Rate Swaps	Total
Notional Value at September 30,	\$400	\$1,000	\$1,400	\$1,095	\$600	\$1,695
Three months ended September 30,						
Gain (loss) on derivatives	—	—	—	(14)	(1)	(15)
Gain (loss) on hedged items	—	—	—	14	1	15
Nine months ended September 30,						
Gain (loss) on derivatives	(7)	(11)	(18)	(15)	(3)	(18)
Gain (loss) on hedged items	7	11	18	15	3	18

Cash Flow Hedges

All of the Company's commodity contracts and certain foreign currency forward contracts have been designated as cash flow hedges, for which the effective portion of the gain or loss is reported as a component of Other comprehensive income ("OCI") and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings.

Activity related to cash flow hedges recorded during the three and nine months ended September 30, 2018 and 2017 was as follows:

	2018			2017		
	Foreign Currency Contracts	Commodity Contracts	Total	Foreign Currency Contracts	Commodity Contracts	Total
Notional Value at September 30,	\$821	\$14	\$835	\$724	\$1	\$725
Three months ended September 30,						
Gain (loss) recognized in OCI	(2)	—	(2)	(8)	—	(8)
Gain (loss) reclassified into Cost of sales	—	—	—	(4)	—	(4)

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Nine months ended September 30,

Gain (loss) recognized in OCI	4	—	4	(28)	—	(28)
Gain (loss) reclassified into Cost of sales	(8)	—	(8)	(2)	—	(2)

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COLGATE-PALMOLIVE COMPANY

Notes to Condensed Consolidated Financial Statements (continued)

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(Unaudited)

The net gain (loss) recognized in OCI for both foreign currency contracts and commodity contracts is generally expected to be recognized in Cost of sales within the next twelve months.

Net Investment Hedges

The Company has designated certain foreign currency forward and option contracts and certain foreign currency-denominated debt as net investment hedges, for which the gain or loss on the instrument is reported as a component of Cumulative translation adjustments within OCI, along with the offsetting gain or loss on the hedged items.

Activity related to net investment hedges recorded during the three and nine months ended September 30, 2018 and 2017 was as follows:

	2018			2017		
	Foreign Currency Contracts	Foreign Currency Debt	Total	Foreign Currency Contracts	Foreign Currency Debt	Total
Notional Value at September 30,	\$633	\$1,417	\$2,050	\$749	\$590	\$1,339
Three months ended September 30,						
Gain (loss) on instruments	1	10	11	(23)	(22)	(45)
Gain (loss) on hedged items	—	(10)	(10)	22	22	44
Nine months ended September 30,						
Gain (loss) on instruments	26	69	95	(69)	(115)	(184)
Gain (loss) on hedged items	(23)	(69)	(92)	69	115	184

COLGATE-PALMOLIVE COMPANY

Management's Discussion and Analysis of Financial
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Executive Overview

Colgate-Palmolive Company (together with its subsidiaries, the "Company" or "Colgate") seeks to deliver strong, consistent business results and superior shareholder returns by providing consumers globally with products that make their lives healthier and more enjoyable.

To this end, the Company is tightly focused on two product segments: Oral, Personal and Home Care; and Pet Nutrition. Within these segments, the Company follows a closely defined business strategy to develop and increase market leadership positions in key product categories. These product categories are prioritized based on their capacity to maximize the use of the organization's core competencies and strong global equities and to deliver sustainable long-term growth.

Operationally, the Company is organized along geographic lines with management teams having responsibility for the business and financial results in each region. The Company competes in more than 200 countries and territories worldwide with established businesses in all regions contributing to the Company's sales and profitability. Approximately 70% of the Company's Net sales are generated from markets outside the U.S., with approximately 50% of the Company's Net sales coming from emerging markets (which consist of Latin America, Asia (excluding Japan), Africa/Eurasia and Central Europe). This geographic diversity and balance help to reduce the Company's exposure to business and other risks in any one country or part of the world.

The Oral, Personal and Home Care product segment is managed geographically in five reportable operating segments: North America, Latin America, Europe, Asia Pacific and Africa/Eurasia, all of which sell to a variety of retail and wholesale customers and distributors. The Company, through Hill's Pet Nutrition, also competes on a worldwide basis in the pet nutrition market, selling its products principally through authorized pet supply retailers and veterinarians. Many of the Company's products are also sold online through various e-commerce platforms and retailers.

On an ongoing basis, management focuses on a variety of key indicators to monitor business health and performance. These indicators include market share, net sales (including volume, pricing and foreign exchange components), organic sales growth (net sales growth excluding, as applicable, the impact of foreign exchange, acquisitions and divestments), a non-GAAP financial measure, and gross profit margin, operating profit, net income and earnings per share, in each case, on a GAAP and non-GAAP basis, as well as measures used to optimize the management of working capital, capital expenditures, cash flow and return on capital. The monitoring of these indicators and the Company's Code of Conduct and corporate governance practices help to maintain business health and strong internal controls. For additional information regarding non-GAAP financial measures, see "Non-GAAP Financial Measures" below.

To achieve its business and financial objectives, the Company focuses the organization on initiatives to drive and fund growth. The Company seeks to capture significant opportunities for growth by identifying and meeting consumer needs within its core categories, through its focus on innovation and the deployment of valuable consumer and shopper insights in the development of successful new products regionally, which are then rolled out on a global basis. To enhance these efforts, the Company has developed key initiatives to build strong relationships with consumers, dental and veterinary professionals and retail customers. In addition, the Company has strengthened its capabilities in e-commerce, including by developing its relationships with online-only retailers and enhancing its digital marketing capabilities. Growth opportunities are greater in those areas of the world in which economic development and rising

consumer incomes expand the size and number of markets for the Company's products.

COLGATE-PALMOLIVE COMPANY

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(Dollars in Millions Except Per Share Amounts)

The investments needed to support growth are developed through continuous, Company-wide initiatives to lower costs and increase effective asset utilization. Through these initiatives, which are referred to as the Company's funding-the-growth initiatives, the Company seeks to become even more effective and efficient throughout its businesses. These initiatives are designed to reduce costs associated with direct materials, indirect expenses, distribution and logistics, and advertising and promotional materials, among other things, and encompass a wide range of projects, examples of which include raw material substitution, reduction of packaging materials, consolidating suppliers to leverage volumes and increasing manufacturing efficiency through SKU reductions and formulation simplification. The Company also continues to prioritize its investments toward its higher margin businesses, specifically Oral Care, Personal Care and Pet Nutrition.

Significant Items Impacting Comparability

In January 2018, the Company acquired all of the outstanding equity interests of Physicians Care Alliance, LLC ("PCA") and Elta MD Holdings, Inc. ("Elta"), professional skin care businesses, for aggregate cash consideration of approximately \$730. With these acquisitions, the Company has entered the professional skin care category, which complements its existing global personal care businesses. See Note 4, Acquisitions and Divestitures to the Condensed Consolidated Financial Statements for additional information.

On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA" or "U.S. tax reform") was enacted, which, among other things, lowered the U.S. corporate income tax rate to 21% from 35% and established a modified territorial system requiring a mandatory deemed repatriation tax on undistributed earnings of foreign subsidiaries. Beginning in 2018, the TCJA also requires a minimum tax on certain future earnings generated by foreign subsidiaries while providing for future tax-free repatriation of such earnings through a 100% dividends-received deduction.

As a result of the enactment of the TCJA, in the fourth quarter of 2017, the Company recorded a provisional charge of \$275 based on its initial analysis of the TCJA using information and estimates available as of February 15, 2018, the date on which the Company filed its Annual Report on Form 10-K for the year ended December 31, 2017. During the third quarter of 2018, the Company recognized an additional provisional transition tax expense of \$80 reflecting the impact of transition tax guidance issued by the U.S. Treasury through the third quarter of 2018 and the update of certain estimates and calculations based on information available through the third quarter of 2018. Given the significant complexity of the TCJA, recent and anticipated further guidance from the U.S. Treasury about implementing the TCJA and the potential for additional guidance from the Securities and Exchange Commission (the "SEC") or the FASB related to the TCJA or additional information becoming available, the Company's provisional charge may be adjusted further. The aforementioned guidance and additional information regarding the TCJA may also impact the Company's 2018 effective income tax rate, exclusive of any adjustment to the provisional charge. Refer to "Results of Operations—Income Taxes" below for additional details.

The Company is in the midst of a restructuring program known as the "Global Growth and Efficiency Program," which, following the most recent expansion and extension approved by the Company's Board of Directors (the "Board") on October 26, 2017, runs through December 31, 2019. The program's initiatives are expected to help the Company ensure sustained solid worldwide growth in unit volume, organic sales, operating profit and earnings per share and to enhance its global leadership positions in its core businesses. Implementation of the Global Growth and Efficiency Program remains on track.

The initiatives under the Global Growth and Efficiency Program are focused on the following areas:

Expanding Commercial Hubs

Extending Shared Business Services and Streamlining Global Functions

Optimizing Global Supply Chain and Facilities

Savings, substantially all of which are expected to increase future cash flows, are projected to be in the range of \$560 to \$635 pretax (\$500 to \$575 aftertax) annually, once all projects are approved and implemented. Cumulative pretax charges resulting from the Global Growth and Efficiency Program, once all phases are approved and implemented, are estimated to be in the range of \$1,730 to \$1,885 (\$1,280 to \$1,380 aftertax).

In the three and nine months ended September 30, 2018, the Company incurred aftertax costs of \$22 and \$93, respectively, resulting from the Global Growth and Efficiency Program.

COLGATE-PALMOLIVE COMPANY

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For more information regarding the Global Growth and Efficiency Program, see "Restructuring and Related Implementation Charges" below and Note 5, Restructuring and Related Implementation Charges to the Condensed Consolidated Financial Statements.

Effective January 1, 2018, as required, the Company adopted ASU No. 2017-07, "Compensation-Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost," on a retrospective basis. As a result, for all periods presented, only the service related component of pension and other postretirement benefit costs is included in Operating profit. The non-service related components (interest cost, expected return on assets and amortization of actuarial gains and losses) are included in a new line item, "Non-service related postretirement costs," which is below Operating profit. Adoption of this standard had no effect on Net income attributable to Colgate-Palmolive Company, Earnings per common share or Cash flow. See Note 3, Recent Accounting Pronouncements and Updated Accounting Policies to the Condensed Consolidated Financial Statements for additional information.

In addition, effective July 1, 2018, Argentina was designated as a hyper-inflationary economy under GAAP. Consequently, the functional currency for the Company's Argentinian subsidiary is the U.S. dollar and the impact of Argentinian currency fluctuations has been and will be recorded in income. However, this designation has not had and is not expected to have a material impact on the Company's Consolidated Financial Statements.

Outlook

Looking forward, the Company expects global macroeconomic and market conditions to remain highly challenging with continued low category growth rates around the world. While the global marketplace in which the Company operates has always been highly competitive, the Company continues to experience heightened competitive activity in certain markets from strong local competitors and from other large multinational companies, some of which have greater resources than the Company does. Such activities have included more aggressive product claims and marketing challenges, as well as increased promotional spending and geographic expansion. The Company has also been negatively affected by changes in the policies or practices of its retail trade customers in key markets, such as inventory de-stocking. In addition, the growth of e-commerce has affected and continues to affect consumer preferences and market dynamics. Given that approximately 70% of the Company's Net sales originate in markets outside the U.S., the Company has experienced and may continue to experience volatile foreign currency fluctuations and high raw and packaging material costs. While the Company has taken, and will continue to take, measures to mitigate the effect of these conditions, should they persist, they could adversely affect the Company's future results.

The Company believes it is well prepared to meet the challenges ahead due to its strong financial condition, experience operating in challenging environments and continued focus on the Company's key priorities: growing sales through engaging with consumers, developing world-class innovation and working with retail partners; driving efficiency on every line of the income statement to increase margins; generating strong cash flow performance and utilizing that cash effectively to enhance total shareholder returns; and leading to win by staying true to the Company's culture and focusing on its stakeholders. The Company's commitment to these priorities, together with the strength of the Company's global brands, its broad international presence in both developed and emerging markets and cost-saving initiatives, such as the Company's funding-the-growth initiatives and the Global Growth and Efficiency Program, should position the Company well to increase shareholder value over the long term.

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Results of Operations

Three Months

Worldwide Net sales were \$3,845 in the third quarter of 2018, down 3.0% from the third quarter of 2017, as negative foreign exchange of 4.0% was partially offset by net selling price increases of 1.0%, while volume was flat. The Company's previously disclosed professional skin care acquisitions increased volume by 1.5%. Organic sales (Net sales excluding the impact of foreign exchange, acquisitions and divestments), a non-GAAP financial measure, decreased 0.5% in the third quarter of 2018. A reconciliation of net sales growth to organic sales growth is provided under "Non-GAAP Financial Measures" below.

Net sales in the Oral, Personal and Home Care product segment were \$3,263 in the third quarter of 2018, down 4.0% from the third quarter of 2017 as negative foreign exchange of 4.5% and volume declines of 0.5% were partially offset by net selling price increases of 1.0%. The Company's previously disclosed professional skin care acquisitions increased volume by 1.5%. Organic sales in the Oral, Personal and Home Care product segment decreased 1.0% in the third quarter of 2018.

The Company's share of the global toothpaste market was 41.9% on a year-to-date basis, down 1.3 share points from the year ago period, and its share of the global manual toothbrush market was 32.2% on a year-to-date basis, down 0.6 share points from the year ago period. Year-to-date market shares in toothpaste were flat in Europe and Africa/Eurasia and down in North America, Asia Pacific and Latin America versus the comparable 2017 period. In the manual toothbrush category, year-to-date market shares were up in North America and Latin America, flat in Africa/Eurasia and down in Europe and Asia Pacific versus the comparable 2017 period. For additional information regarding market shares, see "Market Share Information" below.

Net sales in the Hill's Pet Nutrition segment were \$582 in the third quarter of 2018, up 1.5% from the third quarter of 2017, driven by volume growth of 1.0% and net selling price increases of 2.0%, partially offset by negative foreign exchange of 1.5%. Organic sales in the Hill's Pet Nutrition segment increased 3.0% in the third quarter of 2018.

Gross Profit/Margin

Worldwide Gross profit decreased to \$2,269 in the third quarter of 2018 from \$2,383 in the third quarter of 2017. Gross profit in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Gross profit decreased to \$2,277 in the third quarter of 2018 from \$2,399 in the third quarter of 2017. This decrease in Gross profit reflects a decrease of \$78 resulting from lower Net sales and a decrease of \$44 resulting from lower Gross profit margin.

Worldwide Gross profit margin decreased to 59.0% in the third quarter of 2018 from 60.0% in the third quarter of 2017. Excluding charges resulting from the Global Growth and Efficiency Program in both periods, Gross profit margin decreased by 120 basis points (bps) to 59.2% in the third quarter of 2018 from 60.4% in the third quarter of 2017. This decrease in Gross profit margin was due to higher raw and packaging material costs (390 bps), partially offset by cost savings from the Company's funding-the-growth initiatives (220 bps) and higher pricing (50 bps).

Three Months

Ended

September 30,

	2018	2017	
Gross profit, GAAP	\$2,269	\$2,383	
Global Growth and Efficiency Program	8	16	
Gross profit, non-GAAP	\$2,277	\$2,399	
	Three Months Ended		
	September 30,		
			Basis
	2018	2017	Point
			Change
Gross profit margin, GAAP	59.0%	60.0%	(100)
Global Growth and Efficiency Program	0.2	0.4	
Gross profit margin, non-GAAP	59.2%	60.4%	(120)

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Selling, General and Administrative Expenses

Selling, general and administrative expenses decreased 3% to \$1,369 in the third quarter of 2018 from \$1,410 in the third quarter of 2017. Selling, general and administrative expenses in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Selling, general and administrative expenses decreased to \$1,360 in the third quarter of 2018 from \$1,388 in the third quarter of 2017, reflecting lower overhead expenses of \$18 and decreased advertising investment of \$10.

Selling, general and administrative expenses as a percentage of Net sales increased to 35.6% in the third quarter of 2018 from 35.5% in the third quarter of 2017. Excluding charges resulting from the Global Growth and Efficiency Program in both periods, Selling, general and administrative expenses as a percentage of Net sales increased by 50 bps to 35.4% in the third quarter of 2018 as compared to 34.9% in the third quarter of 2017. This increase was due to higher overhead expenses (40 bps) and increased advertising investment (10 bps), both as a percentage of Net sales. In the third quarter of 2018, advertising investment increased as a percentage of Net sales to 10.3% from 10.2% in the third quarter of 2017 but decreased 2% in absolute terms to \$395, as compared with \$405 in the third quarter of 2017.

	Three Months Ended September 30,	
	2018	2017
Selling, general and administrative expenses, GAAP	\$1,369	\$1,410
Global Growth and Efficiency Program	(9)	(22)
Selling, general and administrative expenses, non-GAAP	\$1,360	\$1,388

	Three Months Ended September 30,		
	2018	2017	Basis Point Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	35.6 %	35.5 %	10
Global Growth and Efficiency Program	(0.2)	(0.6)	
Selling, general and administrative expenses as a percentage of Net sales, non-GAAP	35.4 %	34.9 %	50

Other (Income) Expense, Net

Other (income) expense, net was \$26 in the third quarter of 2018, as compared to \$16 in the third quarter of 2017. Other (income) expense, net in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Other (income) expense, net was \$18 in the third quarter of 2018, as compared to \$7 in the third quarter of 2017. This increase in Other (income) expense, net was primarily due to the amortization of intangible assets resulting from the professional skin care acquisitions.

Three
Months
Ended
September

	30,	
	2018	2017
Other (income) expense, net, GAAP	\$26	\$16
Global Growth and Efficiency Program	(8)	(9)
Other (income) expense, net, non-GAAP	\$18	\$7

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Operating Profit

Operating profit decreased 9% to \$874 in the third quarter of 2018 from \$957 in the third quarter of 2017. Operating profit in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Operating profit decreased 10% to \$899 in the third quarter of 2018 from \$1,004 in the third quarter of 2017, as a decrease in Gross profit was partially offset by a decrease in Selling, general and administrative expenses.

Operating profit margin was 22.7% in the third quarter of 2018, a decrease of 140 bps compared to 24.1% in the third quarter of 2017. Excluding charges resulting from the Global Growth and Efficiency Program in both periods, Operating profit margin was 23.4% in the third quarter of 2018, a decrease of 190 bps as compared to 25.3% in the third quarter of 2017. This decrease in Operating profit margin was primarily due to a decrease in Gross profit (120 bps) and an increase in Selling, general and administrative expenses (50 bps), both as a percentage of Net sales.

	Three Months Ended September 30,		
	2018	2017	% Change
Operating profit, GAAP	\$874	\$957	(9)%
Global Growth and Efficiency Program	25	47	
Operating profit, non-GAAP	\$899	\$1,004	(10)%

	Three Months Ended September 30,		
	2018	2017	Basis Point Change
Operating profit margin, GAAP	22.7 %	24.1 %	(140)
Global Growth and Efficiency Program	0.7	1.2	
Operating profit margin, non-GAAP	23.4 %	25.3 %	(190)

Non-Service Related Postretirement Costs

Non-service related postretirement costs were \$18 in the third quarter of 2018, as compared to \$30 in the third quarter of 2017. Non-service related postretirement costs in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Non-service related postretirement costs were \$17 in the third quarter of 2018, as compared to \$19 in the third quarter of 2017.

	Three Months Ended September 30,	
	2018	2017
Non-service related postretirement costs, GAAP	\$18	\$30

Global Growth and Efficiency Program	(1)	(11)
Non-service related postretirement costs, non-GAAP	\$17	\$19

Interest (Income) Expense, Net

Interest (income) expense, net was \$36 in the third quarter of 2018 as compared to \$27 in the third quarter of 2017, primarily due to higher average interest rates on debt.

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Net Income Attributable to Colgate-Palmolive Company and Earnings Per Share

Net income attributable to Colgate-Palmolive Company for the third quarter of 2018 decreased to \$523 from \$607 in the third quarter of 2017, and Earnings per common share on a diluted basis decreased to \$0.60 per share in the third quarter of 2018 from \$0.68 in the third quarter of 2017. Net income attributable to Colgate-Palmolive Company in both periods included charges resulting from the Global Growth and Efficiency Program. Net income attributable to Colgate-Palmolive Company in the third quarter of 2018 also included a provisional charge related to U.S. tax reform. See "Income Taxes" below for additional information.

Excluding the items described above in both periods as applicable, Net income attributable to Colgate-Palmolive Company in the third quarter of 2018 decreased 3% to \$625 from \$646 in the third quarter of 2017, and Earnings per common share on a diluted basis decreased 1% to \$0.72 in the third quarter of 2018 from \$0.73 in the third quarter of 2017.

	Three Months Ended September 30, 2018				
	Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Diluted Earnings Per Share ⁽²⁾
As Reported GAAP	\$820	\$ 258	\$ 562	\$ 523	\$ 0.60
Global Growth and Efficiency Program	26	4	22	22	0.02
U.S. tax reform	—	(80)	80	80	0.10
Non-GAAP	\$846	\$ 182	\$ 664	\$ 625	\$ 0.72

	Three Months Ended September 30, 2017				
	Income Before Income Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Diluted Earnings Per Share ⁽²⁾
As Reported GAAP	\$900	\$ 250	\$ 650	\$ 607	\$ 0.68
Global Growth and Efficiency Program	58	19	39	39	0.05
Non-GAAP	\$958	\$ 269	\$ 689	\$ 646	\$ 0.73

⁽¹⁾ The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

⁽²⁾ The impact of non-GAAP adjustments on diluted earnings per share may not necessarily equal the difference between "GAAP" and "non-GAAP" as a result of rounding.

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Net Sales and Operating Profit by Segment

Oral, Personal and Home Care

North America

	Three Months Ended		
	September 30,		
	2018	2017	Change
Net sales	\$858	\$795	8.0 %
Operating profit	\$259	\$264	(2)%
% of Net sales	30.2 %	33.2 %	(300)bps

Net sales in North America increased 8.0% in the third quarter of 2018 to \$858, driven by volume growth of 7.5% and net selling price increases of 0.5%, while foreign exchange was flat. The Company's previously disclosed professional skin care acquisitions increased volume by 6.0%. Organic sales in North America increased 2.0% in the third quarter of 2018.

The increase in organic sales in North America in the third quarter of 2018 versus the third quarter of 2017 was primarily due to an increase in Oral Care and Personal Care organic sales. The increase in Oral Care was primarily due to organic sales growth in the toothpaste and toothbrush categories. The increase in Personal Care was primarily attributable to organic sales growth in the liquid hand soap and shower gel categories, partially offset by a decline in organic sales in the underarm protection category.

Operating profit in North America decreased 2% in the third quarter of 2018 to \$259, or 300 bps to 30.2% of Net sales. This decrease in Operating profit as a percentage of Net sales was due to a decrease in Gross profit (60 bps), an increase in Selling, general and administrative expenses (170 bps) and an increase in Other (income) expense, net (70 bps), all as a percentage of Net sales. This decrease in Gross profit was primarily due to higher raw and packaging material costs (220 bps), partially offset by cost savings from the Company's funding-the-growth initiatives (170 bps). This increase in Selling, general and administrative expenses was due to higher overhead expenses (200 bps), primarily driven by increased logistics costs. This increase in Other (income) expense, net was primarily due to the amortization of intangible assets resulting from the professional skin care acquisitions.

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Latin America

	Three Months Ended		
	September 30,		
	2018	2017	Change
Net sales	\$856	\$985	(13.0)%
Operating profit	\$222	\$303	(27)%
% of Net sales	25.9 %	30.8 %	(490)bps

Net sales in Latin America decreased 13.0% to \$856 in the third quarter of 2018. Volume declines of 6.0% and negative foreign exchange of 9.5% were partially offset by net selling price increases of 2.5%. Volume declines in Brazil, Central America and Argentina were partially offset by volume gains in the Greater Caribbean region and Mexico. Organic sales in Latin America decreased 3.5% in the third quarter of 2018.

The decrease in organic sales in Latin America in the third quarter of 2018 versus the third quarter of 2017 was due to decreases in Oral Care and Personal Care organic sales, partially offset by an increase in Home Care organic sales. The decrease in Oral Care was due to a decline in organic sales in the toothpaste category. The decrease in Personal Care was primarily due to a decline in organic sales in the bar soap category. The increase in Home Care was primarily due to organic sales growth in the hand dish category.

Operating profit in Latin America decreased 27% in the third quarter of 2018 to \$222, or 490 bps to 25.9% of Net sales. This decrease in Operating profit as a percentage of Net sales was primarily due to a decrease in Gross profit (340 bps) and an increase in Selling, general and administrative expenses (130 bps), both as a percentage of Net sales. This decrease in Gross profit was due to higher raw and packaging material costs (640 bps), which included foreign exchange transaction costs, partially offset by cost savings from the Company's funding-the-growth initiatives (300 bps). This increase in Selling, general and administrative expenses was due to higher overhead expenses (120 bps) and increased advertising investment (10 bps).

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Europe

	Three Months Ended		
	September 30,		
	2018	2017	Change
Net sales	\$640	\$642	(0.5) %
Operating profit	\$162	\$163	(1) %
% of Net sales	25.3 %	25.4 %	(10) bps

Net sales in Europe decreased 0.5% in the third quarter of 2018 to \$640, as volume growth of 2.0% was more than offset by net selling price decreases of 1.5% and negative foreign exchange of 1.0%. Volume gains were led by the United Kingdom, Spain and Greece. Organic sales in Europe increased 0.5% in the third quarter of 2018.

The increase in organic sales in Europe in the third quarter of 2018 versus the third quarter of 2017 was primarily due to an increase in Oral Care organic sales. The increase in Oral Care was primarily due to an increase in organic sales in the toothpaste category.

Operating profit in Europe decreased 1% in the third quarter of 2018 to \$162, or 10 bps to 25.3% of Net sales. This decrease in Operating profit as a percentage of Net sales was due to an increase in Selling, general and administrative expenses (20 bps), partially offset by an increase in Gross profit (10 bps), both as a percentage of Net sales. This increase in Gross profit was primarily due to cost savings from the Company's funding-the-growth initiatives (200 bps), partially offset by higher raw and packaging material costs (180 bps). This increase in Selling, general and administrative expenses was due to increased advertising investment (50 bps), partially offset by lower overhead expenses (30 bps).

Asia Pacific

	Three Months Ended		
	September 30,		
	2018	2017	Change
Net sales	\$673	\$728	(7.5) %
Operating profit	\$191	\$220	(13) %
% of Net sales	28.4 %	30.2 %	(180) bps

Net sales in Asia Pacific decreased 7.5% in the third quarter of 2018 to \$673, due to volume declines of 4.0% and negative foreign exchange of 3.5%, while net selling prices were flat. Volume declines in the Greater China region were partially offset by volume gains in India. Organic sales in Asia Pacific in the third quarter of 2018 decreased 4.0%.

The decrease in organic sales in Asia Pacific in the third quarter of 2018 was primarily due to a decrease in Oral Care organic sales. The decrease in Oral Care was due to declines in organic sales in the toothpaste and manual toothbrush categories.

Operating profit in Asia Pacific decreased 13% in the third quarter of 2018 to \$191, or 180 bps to 28.4% of Net sales. This decrease in Operating profit as a percentage of Net sales was primarily due to a decrease in Gross profit (80 bps) and an increase in Selling, general and administrative expenses (90 bps), both as a percentage of Net sales. This decrease in Gross profit was due to higher raw and packaging material costs (360 bps), partially offset by cost savings

from the Company's funding-the-growth initiatives (280 bps). This increase in Selling, general and administrative expenses was due to increased advertising investment (100 bps), partially offset by lower overhead expenses (10 bps).

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Africa/Eurasia

	Three Months Ended		
	September 30,		
	2018	2017	Change
Net sales	\$236	\$251	(6.0)%
Operating profit	\$41	\$44	(7)%
% of Net sales	17.4 %	17.5 %	(10)bps

Net sales in Africa/Eurasia decreased 6.0% in the third quarter of 2018 to \$236 as volume declines of 0.5% and negative foreign exchange of 8.5% were partially offset by net selling price increases of 3.0%. Volume declines in Russia and Saudi Arabia were partially offset by volume growth in the Gulf States and Israel. Organic sales in Africa/Eurasia increased 2.5% in the third quarter of 2018.

The increase in organic sales in Africa/Eurasia in the third quarter of 2018 versus the third quarter of 2017 was due to an increase in Oral Care organic sales, partially offset by decreases in Personal Care and Home Care organic sales. The increase in Oral Care was due to organic sales growth in the toothpaste and manual toothbrush categories. The decrease in Personal Care was primarily due to organic sales decline in the bar soap and underarm protection categories, partially offset by organic sales growth in the shower gel category. The decrease in Home Care was primarily due to a decline in organic sales in the fabric softener category.

Operating profit in Africa/Eurasia decreased 7% in the third quarter of 2018 to \$41, or 10 bps to 17.4% of Net sales. This decrease in Operating profit as a percentage of Net sales was primarily due to a decrease in Gross profit (170 bps), partially offset by a decrease in Selling, general and administrative expenses (120 bps), both as a percentage of Net sales. This decrease in Gross profit was primarily due to higher raw and packaging material costs (550 bps), which included foreign exchange transaction costs, partially offset by cost savings from the Company's funding-the-growth initiatives (150 bps) and higher pricing. This decrease in Selling, general and administrative expenses was due to lower overhead expenses (120 bps).

Hill's Pet Nutrition

	Three Months Ended		
	September 30,		
	2018	2017	Change
Net sales	\$582	\$573	1.5 %
Operating profit	\$163	\$167	(2)%
% of Net sales	28.0 %	29.1 %	(110)bps

Net sales for Hill's Pet Nutrition increased 1.5% in the third quarter of 2018 to \$582, as volume growth of 1.0% and net selling price increases of 2.0% were partially offset by negative foreign exchange of 1.5%. Volume gains in the United States, South Africa and Australia were partially offset by volume declines in Western Europe. Organic sales in Hill's Pet Nutrition increased 3.0% in the third quarter of 2018.

The increase in organic sales in the third quarter of 2018 versus the third quarter of 2017 was due to increases in organic sales in the Prescription Diet, Naturals and Advanced Nutrition categories.

Operating profit in Hill's Pet Nutrition decreased 2% in the third quarter of 2018 to \$163, or 110 bps to 28.0% of Net sales. This decrease in Operating profit as a percentage of Net sales was due to a decrease in Gross profit (60 bps) and an increase in Other (income) expense, net (50 bps), both as a percentage of Net sales. This decrease in Gross profit was primarily due to higher raw and packaging material costs (270 bps), partially offset by cost savings from the Company's funding-the-growth initiatives (160 bps). This increase in Other (income) expense, net was primarily due to the expiration of a foreign sales tax benefit.

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Corporate

Three Months Ended

September 30,

2018 2017 Change

Operating profit (loss) \$(164) \$(204) (20) %

Operating profit (loss) related to Corporate was (\$164) in the third quarter of 2018 as compared to (\$204) in the third quarter of 2017. In the third quarter of 2018, Corporate Operating profit (loss) included charges of \$25 resulting from the Global Growth and Efficiency Program. In the third quarter of 2017, Corporate Operating profit (loss) included charges of \$47 resulting from the Global Growth and Efficiency Program.

Nine Months

Worldwide Net sales were \$11,733 in the first nine months of 2018, up 1.5% as compared to the first nine months of 2017, driven by volume growth of 1.5%, while net selling prices and foreign exchange were flat. The Company's previously disclosed professional skin care acquisitions increased volume by 1.0%. Organic sales increased 0.5% in the first nine months of 2018.

Net sales in the Oral, Personal and Home Care product segment were \$9,975 in the first nine months of 2018, an increase of 1.0% as compared to the first nine months of 2017, driven by volume growth of 1.0%, while net selling prices and foreign exchange were flat. The Company's previously disclosed professional skin care acquisitions increased volume by 1.0%. Organic sales in the Oral, Personal and Home Care product segment were even with the first nine months of 2017.

Increases in Oral Care and Home Care organic sales in the first nine months of 2018 were offset by a decrease in Personal Care organic sales. The increase in Oral Care was primarily due to organic sales growth in the toothpaste and manual toothbrush categories. The increase in Home Care was primarily due to organic sales growth in the liquid cleaner and fabric softener categories. The decrease in Personal Care was primarily due to declines in organic sales in the bar soap, shampoo and underarm protection categories, partially offset by organic sales growth in the liquid hand soap category.

Net sales in the Hill's Pet Nutrition segment were \$1,758 in the first nine months of 2018, an increase of 3.5% as compared to the first nine months of 2017, driven by volume growth of 1.0%, net selling price increases of 1.0% and positive foreign exchange of 1.5%. Organic sales for the Hill's Pet Nutrition segment increased 2.0% in the first nine months of 2018, driven by organic sales growth in the Prescription Diet category, which was partially offset by declines in organic sales in the Advanced Nutrition and Naturals categories.

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Net Sales and Operating Profit by Segment

Net sales and Operating profit by segment were as follows:

	Nine Months Ended September 30,	
	2018	2017
Net sales		
Oral, Personal and Home Care		
North America	\$2,509	\$2,319
Latin America	2,718	2,911
Europe	1,908	1,784
Asia Pacific	2,106	2,111
Africa/Eurasia	734	738
Total Oral, Personal and Home Care	9,975	9,863
Pet Nutrition	1,758	1,699
Total Net sales	\$11,733	\$11,562
Operating profit		
Oral, Personal and Home Care		
North America	\$780	\$766
Latin America	757	883
Europe	480	451
Asia Pacific	620	645
Africa/Eurasia	133	135
Total Oral, Personal and Home Care	2,770	2,880
Pet Nutrition	492	499
Corporate	(459)	(632)
Total Operating profit	\$2,803	\$2,747

Within the Oral, Personal and Home Care product segment, North America Net sales increased 8.0%, driven by volume growth of 7.5% and net selling price increases of 0.5% while foreign exchange was flat. The Company's previously disclosed professional skin care acquisitions increased volume in North America by 5.0%. Organic sales in North America increased 3.0%. Latin America Net sales decreased 6.5%, driven by volume declines of 2.5% and negative foreign exchange of 5.0%, partially offset by net selling price increases of 1.0%. Organic sales in Latin America decreased 1.5%. Europe Net sales increased 7.0%, as volume growth of 3.0% and positive foreign exchange of 6.5% were partially offset by net selling price decreases of 2.5%. Organic sales in Europe increased 0.5%. Asia Pacific Net sales were flat as volume declines of 1.5% were offset by positive foreign exchange of 1.5%, while net selling prices were flat. Organic sales in Asia Pacific decreased 1.5%. Africa/Eurasia Net sales decreased 0.5%, as volume declines of 0.5% and negative foreign exchange of 2.0% were partially offset by net selling price increases of 2.0%. Organic sales in Africa/Eurasia increased 1.5%.

In the first nine months of 2018, Operating profit (loss) related to Corporate was (\$459) as compared to (\$632) in the first nine months of 2017. In the first nine months of 2018 and 2017, Corporate Operating profit (loss) included charges of \$107 and \$233, respectively, resulting from the Global Growth and Efficiency Program.

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Gross Profit/Margin

Worldwide Gross profit increased to \$6,978 in the first nine months of 2018 from \$6,952 in the first nine months of 2017. Gross profit in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Gross profit decreased to \$6,997 in the first nine months of 2018 from \$7,003 in the first nine months of 2017. This decrease in Gross profit reflects a decrease of \$112 resulting from lower Gross profit margin, partially offset by an increase of \$106 resulting from higher Net sales in the first nine months of 2018.

Worldwide Gross profit margin was 59.5% in the first nine months of 2018 as compared to 60.1% in the first nine months of 2017. Excluding the charges resulting from the Global Growth and Efficiency Program in both periods, Gross profit margin decreased by 100 bps to 59.6% in the first nine months of 2018, from 60.6% in the first nine months of 2017 primarily due to higher raw and packaging material costs (300 bps), which were partially offset by cost savings from the Company's funding-the-growth initiatives (160 bps).

	Nine Months Ended September 30,		
	2018	2017	
Gross profit, GAAP	\$6,978	\$6,952	
Global Growth and Efficiency Program	19	51	
Gross profit, non-GAAP	\$6,997	\$7,003	
	Nine Months Ended September 30,		
	2018	2017	Basis Point Change
Gross profit margin, GAAP	59.5 %	60.1 %	(60)
Global Growth and Efficiency Program	0.1	0.5	
Gross profit margin, non-GAAP	59.6 %	60.6 %	(100)

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Selling, General and Administrative Expenses

Selling, general and administrative expenses increased to \$4,061 in the first nine months of 2018 from \$4,055 in the first nine months of 2017. Selling, general and administrative expenses in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Selling, general and administrative expenses increased to \$4,037 in the first nine months of 2018 from \$3,995 in the first nine months of 2017, reflecting higher overhead expenses of \$32 and increased advertising investment of \$10.

Selling, general and administrative expenses as a percentage of Net sales decreased to 34.6% in the first nine months of 2018 from 35.1% in the first nine months of 2017. Excluding charges resulting from the Global Growth and Efficiency Program, Selling, general and administrative expenses as a percentage of Net sales were 34.4% in the first nine months of 2018, a decrease of 20 bps as compared to the first nine months of 2017. This decrease was due to lower overhead expenses (10 bps) and decreased advertising investment (10 bps), both as a percentage of Net sales. In the first nine months of 2018, advertising investment increased 1% to \$1,214, as compared with \$1,204 in the first nine months of 2017, while as a percentage of Net sales, it decreased to 10.3% in the first nine months of 2018 from 10.4% in the first nine months of 2017.

	Nine Months Ended September 30,	
	2018	2017
Selling, general and administrative expenses, GAAP	\$4,061	\$4,055
Global Growth and Efficiency Program	(24)	(60)
Selling, general and administrative expenses, non-GAAP	\$4,037	\$3,995

	Nine Months Ended September 30,		
	2018	2017	Basis Point Change
Selling, general and administrative expenses as a percentage of Net sales, GAAP	34.6 %	35.1 %	(50)
Global Growth and Efficiency Program	(0.2)	(0.5)	
Selling, general and administrative expenses as a percentage of Net sales, non- GAAP	34.4 %	34.6 %	(20)

Other (Income) Expense, Net

Other (income) expense, net was \$114 in the first nine months of 2018, as compared to \$150 in the first nine months of 2017. Other (income) expense, net in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Other (income) expense, net was \$50 in the first nine months of 2018, as compared to \$28 in the first nine months of 2017. This increase in Other (income) expense, net was primarily due to the amortization of intangible assets resulting from the professional skin care acquisitions.

Nine Months
Ended
September
30,
2018 2017

Other (income) expense, net, GAAP	\$114	\$150
Global Growth and Efficiency Program	(64)	(122)
Other (income) expense, net, non-GAAP	\$50	\$28

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Operating Profit

Operating profit increased 2% to \$2,803 in the first nine months of 2018 from \$2,747 in the first nine months of 2017. Operating profit in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Operating profit for the first nine months of 2018 decreased 2% to \$2,910 from \$2,980 in the first nine months of 2017, primarily as a result of a decrease in Gross profit and an increase in Selling, general and administrative expenses.

Operating profit margin was 23.9% in the first nine months of 2018, an increase of 10 bps compared to 23.8% in the first nine months of 2017. Excluding charges resulting from the Global Growth and Efficiency Program in both periods, Operating profit margin was 24.8%, a decrease of 100 bps from 25.8% in the first nine months of 2017. This decrease was primarily due to a decrease in Gross profit margin (100 bps) as a percentage of Net sales.

	Nine Months Ended September 30,		
	2018	2017	% Change
Operating profit, GAAP	\$2,803	\$2,747	2 %
Global Growth and Efficiency Program	107	233	
Operating profit, non-GAAP	\$2,910	\$2,980	(2)%

	Nine Months Ended September 30,		
	2018	2017	Basis Point Change
Operating profit margin, GAAP	23.9%	23.8%	10
Global Growth and Efficiency Program	0.9	2.0	
Operating profit margin, non-GAAP	24.8%	25.8%	(100)

Non-Service Related Postretirement Costs

Non-service related postretirement costs were \$65 in the first nine months of 2018, as compared to \$82 in the first nine months of 2017. Non-service related postretirement costs in both periods included charges resulting from the Global Growth and Efficiency Program. Excluding these charges in both periods, Non-service related postretirement costs were \$57 in the first nine months of 2018, as compared to \$69 in the first nine months of 2017.

	Nine Months Ended September 30,	
	2018	2017
Non-service related postretirement costs, GAAP	\$65	\$82
Global Growth and Efficiency Program	(8)	(13)

Non-service related postretirement costs, non-GAAP \$57 \$69

Interest (Income) Expense, Net

Interest (income) expense, net was \$106 in the first nine months of 2018 as compared to \$74 in the first nine months of 2017, primarily due to higher average interest rates on debt.

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Income Taxes

The effective income tax rate was 31.5% for the third quarter of 2018 as compared to 27.8% for the third quarter of 2017. As reflected in the table below, the non-GAAP effective income tax rate was 21.5% for the third quarter of 2018, as compared to 28.1% in the comparable period of 2017.

The effective income tax rate was 27.2% for the first nine months of 2018 as compared to 29.7% for the first nine months of 2017. As reflected in the table below, the non-GAAP effective income tax rate was 24.6% for the nine months ended September 30, 2018, as compared to 29.3% in the comparable period of 2017.

The quarterly provision for income taxes is determined based on the Company's estimated full year effective income tax rate adjusted by the amount of tax attributable to infrequent or unusual items that are separately recognized on a discrete basis in the income tax provision in the quarter in which they occur. The Company's current estimate of its full year effective income tax rate before discrete period items is 25.1%, compared to 30.8% in the third quarter of 2017, primarily due to the enactment of the TCJA, as discussed in more detail below. See Note 11, Income Taxes to the Condensed Consolidated Financial Statements for additional details.

	Three Months Ended September 30,			2017		
	2018			2017		
	Income	Provision	Effective	Income	Provision	Effective
	Before	For	Income	Before	For	Income
	Income	Income	Tax	Income	Income	Tax
	Taxes	Taxes ⁽¹⁾	Rate ⁽²⁾	Taxes	Taxes ⁽¹⁾	Rate ⁽²⁾
As Reported GAAP	\$820	\$ 258	31.5 %	\$900	\$ 250	27.8 %
Global Growth and Efficiency Program	26	4	(0.5)	58	19	0.3
U.S. tax reform	—	(80)	(9.5)	—	—	—
Non-GAAP	\$846	\$ 182	21.5 %	\$958	\$ 269	28.1 %

	Nine Months Ended September 30,			2017		
	2018			2017		
	Income	Provision	Effective	Income	Provision	Effective
	Before	For	Income	Before	For	Income
	Income	Income	Tax	Income	Income	Tax
	Taxes	Taxes ⁽¹⁾	Rate ⁽²⁾	Taxes	Taxes ⁽¹⁾	Rate ⁽²⁾
As Reported GAAP	\$2,632	\$ 717	27.2 %	\$2,591	\$ 770	29.7 %
Global Growth and Efficiency Program	115	25	(0.2)	246	61	(0.4)
Benefit from a foreign tax matter	—	15	0.5	—	—	—
U.S. tax reform	—	(80)	(2.9)	—	—	—
Non-GAAP	\$2,747	\$ 677	24.6 %	\$2,837	\$ 831	29.3 %

⁽¹⁾ The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

⁽²⁾ The impact of non-GAAP items on the Company's effective tax rate represents the difference in the effective tax rate calculated with and without the non-GAAP adjustment on Income before income taxes and Provision for income taxes.

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On December 22, 2017, the TCJA was enacted, which, among other things, lowered the U.S. corporate income tax rate to 21% from 35% and established a modified territorial system requiring a mandatory deemed repatriation tax on undistributed earnings of foreign subsidiaries. Beginning in 2018, the TCJA also requires a minimum tax on certain earnings generated by foreign subsidiaries while providing for tax-free repatriation of such earnings through a 100% dividends-received deduction. The Company's effective income tax rate in 2017 included a provisional charge of \$275, recorded in the fourth quarter of 2017, based on its initial analysis of the TCJA using information and estimates available as of February 15, 2018, the date on which the Company filed its Annual Report on Form 10-K for the year ended December 31, 2017. During the third quarter of 2018, the Company recognized an additional provisional transition tax expense of \$80 reflecting the impact of transition tax guidance issued by the U.S. Treasury through the third quarter of 2018 and the update of certain estimates and calculations based on information available through the third quarter of 2018.

Given the significant complexity of the TCJA, recent and anticipated further guidance from the U.S. Treasury about implementing the TCJA and the potential for additional guidance from the SEC or the FASB related to the TCJA or additional information becoming available, the Company's provisional charge may be adjusted further. The aforementioned guidance and additional information regarding the TCJA may also impact the Company's 2018 effective income tax rate, exclusive of any adjustment to the provisional charge.

The Company has taken a tax position in a foreign jurisdiction since 2002 that has been challenged by the local tax authorities. In May 2015, the Company became aware of several rulings by the Supreme Court in this foreign jurisdiction disallowing certain tax deductions, which had the effect of reversing prior decisions. The Company had taken deductions in prior years similar to those disallowed by such court and, as a result, as required, reassessed its tax position and increased its unrecognized tax benefits in 2015.

In 2016, the Supreme Court in the foreign jurisdiction decided the matter in the Company's favor for the years 2002 through 2005. Also in 2016, the Administrative Court in the foreign jurisdiction decided the matter in the Company's favor for the years 2008 through 2011 by acknowledging the Supreme Court's ruling for the years 2002 through 2005, which eliminated the possibility of future appeals. As a result, the Company recorded a tax benefit of \$30, including interest, in 2016.

In March 2018, the lower courts ruled in the Company's favor for the years 2006, 2007 and 2012 through 2014. The deadline for the local tax authorities to appeal has now passed, and the Company considers all outstanding disputes on this matter resolved. As a result, the Company recorded an additional tax benefit of \$15, including interest, during the second quarter of 2018.

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Net Income Attributable to Colgate-Palmolive Company and Earnings Per Share

Net income attributable to Colgate-Palmolive Company in the first nine months of 2018 increased to \$1,794 from \$1,701 in the comparable 2017 period. Earnings per common share on a diluted basis increased to \$2.05 per share from \$1.91 per share in the comparable 2017 period. Net income attributable to Colgate-Palmolive Company in both periods included charges resulting from the Global Growth and Efficiency Program. Net income attributable to Colgate-Palmolive Company in the first nine months of 2018 also included a benefit from a foreign tax matter and a provisional charge related to U.S. tax reform. See "Income Taxes" above for additional information.

Excluding the items described above in both periods, as applicable, Net income attributable to Colgate-Palmolive Company increased 3% to \$1,952 in the first nine months of 2018 from \$1,886 in the first nine months of 2017 and Earnings per common share on a diluted basis increased 5% to \$2.23 in the first nine months of 2018 from \$2.12 in the first nine months of 2017.

	Nine Months Ended September 30, 2018					
	Income Before Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Less: Income Attributable to Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Diluted Earnings Per Share ⁽²⁾
As Reported GAAP	\$2,632	\$ 717	\$ 1,915	\$ 121	\$ 1,794	\$ 2.05
Global Growth and Efficiency Program	115	25	90	(3)	93	0.11
Benefit from a foreign tax matter	—	15	(15)	—	(15)	(0.02)
U.S. tax reform	—	(80)	80	—	80	0.09
Non-GAAP	\$2,747	\$ 677	\$ 2,070	\$ 118	\$ 1,952	\$ 2.23

	Nine Months Ended September 30, 2017				
	Income Before Taxes	Provision For Income Taxes ⁽¹⁾	Net Income Including Noncontrolling Interests	Net Income Attributable To Colgate-Palmolive Company	Diluted Earnings Per Share ⁽²⁾
As Reported GAAP	\$2,591	\$ 770	\$ 1,821	\$ 1,701	\$ 1.91
Global Growth and Efficiency Program	246	61	185	185	0.21
Non-GAAP	\$2,837	\$ 831	\$ 2,006	\$ 1,886	\$ 2.12

⁽¹⁾ The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

⁽²⁾ The impact of non-GAAP adjustments on diluted earnings per share may not necessarily equal the difference between "GAAP" and "non-GAAP" as a result of rounding.

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Restructuring and Related Implementation Charges

Global Growth and Efficiency Program

In the fourth quarter of 2012, the Company commenced the Global Growth and Efficiency Program. The program was expanded in 2014 and expanded and extended in 2015. Building on the Company's successful implementation of the program, on October 26, 2017, the Board approved an expansion of the Global Growth and Efficiency Program and an extension of the program through December 31, 2019 to take advantage of additional opportunities to streamline the Company's operations.

Initiatives under the Global Growth and Efficiency Program are expected to help the Company ensure sustained solid worldwide growth in unit volume, organic sales, operating profit and earnings per share and to enhance its global leadership positions in its core businesses, producing significant benefits in the Company's long-term business performance. The major objectives of the program include:

Becoming even stronger on the ground through the continued evolution and expansion of proven global and regional commercial capabilities, which have already been successfully implemented in a number of the Company's operations around the world.

Simplifying and standardizing how work gets done by increasing technology-enabled collaboration and taking advantage of global data and analytic capabilities, leading to smarter and faster decisions.

Reducing structural costs to continue to increase the Company's gross and operating profit.

Building on Colgate's current position of strength to enhance its leading market share positions worldwide and ensure sustained sales and earnings growth.

The initiatives under the Global Growth and Efficiency Program continue to be focused on the following areas:

Expanding Commercial Hubs – Building on the success of the hub structure implemented around the world, streamlining operations in order to drive smarter and faster decision-making, strengthen capabilities available on the ground and improve cost structure.

Extending Shared Business Services and Streamlining Global Functions – Optimizing the Company's shared service organizational model in all regions of the world and continuing to streamline global functions to improve cost structure.

Optimizing Global Supply Chain and Facilities – Continuing to optimize manufacturing efficiencies, global warehouse networks and office locations for greater efficiency, lower cost and speed to bring innovation to market.

Implementation of the Global Growth and Efficiency Program remains on track. Savings, substantially all of which are expected to increase future cash flows, are projected to be in the range of \$560 to \$635 pretax (\$500 to \$575 aftertax) annually, once all projects are approved and implemented. The Company expects savings in 2018 to be approximately \$90 to \$120 pretax (\$100 to \$125 aftertax). Cumulative pretax charges resulting from the Global Growth and Efficiency Program, once all phases are approved and implemented, are estimated to be in the range of \$1,730 to \$1,885 (\$1,280 to \$1,380 aftertax). The Company now anticipates that pretax charges for 2018 will approximate \$125 to \$165 (\$95 to \$125 aftertax). It is expected that substantially all charges resulting from the Global Growth and Efficiency Program will be incurred by December 31, 2019.

The pretax charges resulting from the Global Growth and Efficiency Program are currently estimated to be comprised of the following categories: Employee-Related Costs, including severance, pension and other termination benefits

(50%); asset-related costs, primarily Incremental Depreciation and Asset Impairments (5%); and Other charges, which include contract termination costs, consisting primarily of related implementation charges resulting directly from exit activities (25%) and the implementation of new strategies (20%). Over the course of the Global Growth and Efficiency Program, it is currently estimated that approximately 80% of the charges will result in cash expenditures.

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The Company expects that the cumulative pretax charges, once all projects are approved and implemented, will relate to initiatives undertaken in North America (15%), Latin America (5%), Europe (20%), Asia Pacific (5%), Africa/Eurasia (5%), Hill's Pet Nutrition (10%) and Corporate (40%), which includes substantially all of the costs related to the implementation of new strategies, noted above, on a global basis. The Company expects that, when it has been fully implemented, the Global Growth and Efficiency Program will have contributed a net reduction of approximately 3,800 to 4,400 positions from the Company's global employee workforce.

For the three and nine months ended September 30, 2018 and 2017, restructuring and related implementation charges are reflected in the Condensed Consolidated Statements of Income as follows:

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017	
	2018	2017	2018	2017
Cost of sales	\$ 8	\$ 16	\$ 19	\$ 51
Selling, general and administrative expenses	9	22	24	60
Other (income) expense, net	8	9	64	122
Non-service related postretirement costs	1	11	8	13
Total Global Growth and Efficiency Program charges, pretax	\$ 26	\$ 58	\$ 115	\$ 246
Total Global Growth and Efficiency Program charges, aftertax	\$ 22	\$ 39	\$ 93	\$ 185

Restructuring and related implementation charges in the preceding table are recorded in the Corporate segment as these initiatives are predominantly centrally directed and controlled and are not included in internal measures of segment operating performance.

Total charges incurred for the Global Growth and Efficiency Program relate to initiatives undertaken by the following reportable operating segments:

	Three Months Ended September 30, 2018		Nine Months Ended September 30, 2017		Program-to-date Accumulated Charges	
	2018	2017	2018	2017		
North America	16 %	27 %	17 %	23 %	18 %	%
Latin America	8 %	2 %	11 %	3 %	4 %	%
Europe	(24) %	(11) %	(4) %	29 %	20 %	%
Asia Pacific	14 %	7 %	4 %	4 %	3 %	%
Africa/Eurasia	5 %	2 %	5 %	2 %	6 %	%
Hill's Pet Nutrition	40 %	9 %	25 %	5 %	8 %	%
Corporate	41 %	64 %	42 %	34 %	41 %	%
Total	100 %	100 %	100 %	100 %	100 %	%

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Since the inception of the Global Growth and Efficiency Program in the fourth quarter of 2012, the Company has incurred cumulative pretax charges of \$1,676 (\$1,246 aftertax) in connection with the implementation of various projects as follows:

	Cumulative Charges as of September 30, 2018
Employee-Related Costs	\$ 672
Incremental Depreciation	91
Asset Impairments	43
Other	870
Total	\$ 1,676

The majority of costs incurred since inception relate to the following projects: the implementation of the Company's overall hubbing strategy; the extension of shared business services and streamlining of global functions; the consolidation of facilities; the closing of the Morristown, New Jersey personal care facility; the simplification and streamlining of the Company's research and development capabilities and oral care supply chain, both in Europe; redesigning the European commercial organization; restructuring how the Company will provide future retirement benefits to substantially all of the U.S.-based employees participating in the Company's defined benefit retirement plan by shifting them to the Company's defined contribution plan; and the implementation of a Corporate efficiencies program.

The following tables summarize the activity for the restructuring and related implementation charges discussed above and the related accruals:

	Three Months Ended September 30, 2018				
	Employee-Related Costs	Incremental Depreciation	Asset Impairments	Other	Total
Balance at June 30, 2018	\$82	\$ —	\$ —	\$ 130	\$ 212
Charges	9	—	5	12	26
Cash payments	(17)	—	—	(13)	(30)
Charges against assets	(1)	—	(5)	—	(6)
Foreign exchange	(3)	—	—	—	(3)
Other	—	—	—	—	—
Balance at September 30, 2018	\$70	\$ —	\$ —	\$ 129	\$ 199

	Nine Months Ended September 30, 2018				
	Employee-Related Costs	Incremental Depreciation	Asset Impairments	Other	Total
Balance at December 31, 2017	\$127	\$ —	\$ —	\$107	\$234
Charges	44	1	7	63	115
Cash payments	(89)	—	—	(46)	(135)
Charges against assets	(8)	(1)	(7)	—	(16)
Foreign exchange	(4)	—	—	—	(4)
Other	—	—	—	5	5
Balance at September 30, 2018	\$70	\$ —	\$ —	\$129	\$199

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Employee-Related Costs primarily include severance and other termination benefits and are calculated based on long-standing benefit practices, local statutory requirements and, in certain cases, voluntary termination arrangements. Employee-Related Costs also include pension and other retiree benefit enhancements amounting to \$1 and \$8 for the three and nine months ended September 30, 2018, respectively, which are reflected as Charges against assets within Employee-Related Costs in the preceding tables as the corresponding balance sheet amounts are reflected as a reduction of pension assets or an increase in pension and other retiree benefit liabilities. See Note 10, Retirement Plans and Other Retiree Benefits to the Condensed Consolidated Financial Statements for additional information.

Incremental Depreciation is recorded to reflect changes in useful lives and estimated residual values for long-lived assets that will be taken out of service prior to the end of their normal service period. Asset Impairments are recorded to write down inventories and assets held for sale or disposal to their fair value based on amounts expected to be realized. Charges against assets within Asset Impairments are net of cash proceeds pertaining to the sale of certain assets.

Other charges consist primarily of charges resulting directly from exit activities and the implementation of new strategies as a result of the Global Growth and Efficiency Program. These charges for the three and nine months ended September 30, 2018 include third-party incremental costs related to the development and implementation of new business and strategic initiatives of \$11 and \$31, respectively, and contract termination costs and charges resulting directly from exit activities of \$1 and \$32, respectively. These charges were expensed as incurred.

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Non-GAAP Financial Measures

This Quarterly Report on Form 10-Q discusses certain financial measures on both a GAAP and a non-GAAP basis. The Company uses the non-GAAP financial measures described below internally in its budgeting process, to evaluate segment and overall operating performance and as a factor in determining compensation. The Company believes that these non-GAAP financial measures are useful in evaluating the Company's underlying business performance and trends; however, this information should be considered as supplemental in nature and is not meant to be considered in isolation or as a substitute for the related financial information prepared in accordance with GAAP. In addition, these non-GAAP financial measures may not be the same as similar measures presented by other companies.

Net sales growth (GAAP) and organic sales growth (Net sales growth excluding, as applicable, the impact of foreign exchange, acquisitions and divestments) (non-GAAP) are discussed in this Quarterly Report on Form 10-Q.

Management believes the organic sales growth measure provides investors and analysts with useful supplemental information regarding the Company's underlying sales trends by presenting sales growth excluding, as applicable, the external factor of foreign exchange, as well as the impact of acquisitions and divestments. A reconciliation of organic sales growth to Net sales growth for the three and nine months ended September 30, 2018 is provided below.

Worldwide Gross profit, Gross profit margin, Selling, general and administrative expenses, Selling, general and administrative expenses as a percentage of Net sales, Other (income) expense, net, Operating profit, Operating profit margin, Non-service related postretirement costs, effective income tax rate, Net income attributable to Colgate-Palmolive Company and Earnings per share on a diluted basis are discussed in this Quarterly Report on Form 10-Q both on a GAAP basis and excluding the charges resulting from the Global Growth and Efficiency Program and, as applicable, the benefit from a foreign tax matter and a charge related to U.S. tax reform (non-GAAP). These non-GAAP financial measures exclude items that, either by their nature or amount, management would not expect to occur as part of the Company's normal business on a regular basis, such as restructuring charges, charges for certain litigation and tax matters, gains and losses from certain divestitures and certain unusual, non-recurring items. Investors and analysts use these financial measures in assessing the Company's business performance and management believes that presenting these financial measures on a non-GAAP basis provides them with useful supplemental information to enhance their understanding of the Company's underlying business performance and trends. These non-GAAP financial measures also enhance the ability to compare period-to-period financial results. A reconciliation of each of these non-GAAP financial measures to the most directly comparable GAAP financial measures for the three and nine months ended September 30, 2018 and 2017 is presented within the applicable section of Results of Operations.

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The following tables provide a quantitative reconciliation of Net sales growth to organic sales growth for the three and nine months ended September 30, 2018:

Three Months Ended September 30, 2018	Net Sales Growth (GAAP)	Foreign Exchange Impact	Acquisitions and Divestments Impact	Organic Sales Growth (Non-GAAP)
Oral, Personal and Home Care				
North America	8.0%	—%	6.0%	2.0%
Latin America	(13.0)%	(9.5)%	—%	(3.5)%
Europe	(0.5)%	(1.0)%	—%	0.5%
Asia Pacific	(7.5)%	(3.5)%	—%	(4.0)%
Africa/Eurasia	(6.0)%	(8.5)%	—%	2.5%
Total Oral, Personal and Home Care	(4.0)%	(4.5)%	1.5%	(1.0)%
Pet Nutrition	1.5%	(1.5)%	—%	3.0%
Total Company	(3.0)%	(4.0)%	1.5%	(0.5)%
Nine Months Ended September 30, 2018	Net Sales Growth (GAAP)	Foreign Exchange Impact	Acquisitions and Divestments Impact	Organic Sales Growth (Non-GAAP)
Oral, Personal and Home Care				
North America	8.0%	—%	5.0%	3.0%
Latin America	(6.5)%	(5.0)%	—%	(1.5)%
Europe	7.0%	6.5%	—%	0.5%
Asia Pacific	—%	1.5%	—%	(1.5)%
Africa/Eurasia	(0.5)%	(2.0)%	—%	1.5%
Total Oral, Personal and Home Care	1.0%	—%	1.0%	—%
Pet Nutrition	3.5%	1.5%	—%	2.0%
Total Company	1.5%	—%	1.0%	0.5%

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Liquidity and Capital Resources

The Company expects cash flow from operations and debt issuances will be sufficient to meet foreseeable business operating and recurring cash needs (including for debt service, dividends, capital expenditures, charges resulting from the Global Growth and Efficiency Program and stock repurchases). The Company believes its strong cash generation and financial position should continue to allow it broad access to global credit and capital markets.

Net cash provided by operations decreased 4% to \$2,194 in the first nine months of 2018, compared with \$2,295 in the comparable period of 2017, primarily due to an increase in working capital, partially offset by lower income tax payments. The Company's working capital was (3.1%) as a percentage of Net sales in the first nine months of 2018 as compared to (4.6%) in the first nine months of 2017. The Company defines working capital as the difference between current assets (excluding Cash and cash equivalents and marketable securities, the latter of which is reported in Other current assets) and current liabilities (excluding short-term debt).

Building on the Company's successful implementation of the Global Growth and Efficiency Program, on October 26, 2017, the Board approved an expansion of the Global Growth and Efficiency Program and an extension of the program through December 31, 2019 to take advantage of additional opportunities to streamline the Company's operations.

Implementation of the Global Growth and Efficiency Program remains on track. Including the most recent expansion, total program charges resulting from the Global Growth and Efficiency Program are estimated to be in the range of \$1,730 to \$1,885 (\$1,280 to \$1,380 aftertax). Approximately 80% of total program charges resulting from the Global Growth and Efficiency Program are expected to result in cash expenditures. Savings from the Global Growth and Efficiency Program, substantially all of which are expected to increase future cash flows, are projected to be in the range of \$560 to \$635 pretax (\$500 to \$575 aftertax) annually, once all projects are approved and implemented.

The Company now anticipates that pretax charges for 2018 will approximate \$125 to \$165 (\$95 to \$125 aftertax). The Company expects savings in 2018 to amount to approximately \$90 to \$120 pretax (\$100 to \$125 aftertax). It is anticipated that cash requirements for the Global Growth and Efficiency Program will be funded from operating cash flows. Approximately 67% of the restructuring accrual at September 30, 2018 is expected to be paid in the next twelve months.

Investing activities used \$1,174 of cash in the first nine months of 2018, compared with \$532 in the comparable period of 2017, reflecting the Company's acquisition of the outstanding equity interests of PCA and Elta, professional skin care businesses, for aggregate cash consideration of approximately \$730. Capital spending was \$321 in the first nine months of 2018 compared to \$382 in the comparable period of 2017. Capital expenditures for 2018 are expected to be approximately 3.0% to 3.5% of Net sales. The Company continues to focus its capital spending on projects that are expected to yield high aftertax returns.

Financing activities used \$1,701 of cash during the first nine months of 2018, compared with \$1,767 in the comparable period of 2017, reflecting net proceeds on debt in the first nine months of 2018 compared with net payments on debt in the comparable period of 2017 and lower proceeds from the exercise of stock options in the first nine months of 2018 compared with the comparable period of 2017.

Long-term debt, including the current portion, decreased to \$6,519 as of September 30, 2018 as compared to \$6,566 as of December 31, 2017, and total debt increased to \$6,604 as of September 30, 2018 as compared to \$6,577 as of December 31, 2017 due to higher outstanding commercial paper as of September 30, 2018. The Company's debt issuances support its capital structure strategy objectives of funding its business and growth initiatives while minimizing its risk-adjusted cost of capital. During the third quarter of 2017, the Company issued \$500 of thirty-year notes at a fixed rate of 3.70%. The debt issuance was under the Company's shelf registration statement. Proceeds from the debt issuance in the third quarter of 2017 were used for general corporate purposes, which included the retirement of commercial paper borrowings.

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Domestic and foreign commercial paper outstanding was \$476 and \$383 as of September 30, 2018 and 2017, respectively. Commercial paper outstanding as of September 30, 2018 was denominated in U.S. dollars and Euros. The average daily balances outstanding for commercial paper in the first nine months of 2018 and 2017 were \$1,812 and \$1,649, respectively. The Company classifies commercial paper and certain current maturities of notes payable as long-term debt when it has the intent and ability to refinance such obligations on a long-term basis, including, if necessary, by utilizing its line of credit that expires in November 2020.

Certain of the agreements with respect to the Company's bank borrowings contain financial and other covenants as well as cross-default provisions. Noncompliance with these requirements could ultimately result in the acceleration of amounts owed. The Company is in full compliance with all such requirements and believes the likelihood of noncompliance is remote.

In the first quarter of 2018, the Company increased the annualized common stock dividend by 5% to \$1.68 per share, effective in the second quarter of 2018.

Cash and cash equivalents decreased \$694 during the first nine months of 2018 to \$841 at September 30, 2018, compared to \$1,535 at December 31, 2017, most of which (\$778 and \$1,467, respectively) were held by the Company's foreign subsidiaries.

On December 22, 2017, the TCJA was enacted, which, among other things, lowered the U.S. corporate income tax rate to 21% from 35% and established a modified territorial system requiring a mandatory deemed repatriation tax on undistributed earnings of foreign subsidiaries. Beginning in 2018, U.S. tax reform also requires a minimum tax on certain earnings generated by foreign subsidiaries while providing for tax-free repatriation of such earnings through a 100% dividends-received deduction. As a result of the lower U.S. corporate income tax rate, the Company expects a reduction in its future tax payments.

For additional information regarding liquidity and capital resources, please refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

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Market Share Information

Management uses market share information as a key indicator to monitor business health and performance. References to market share in this Quarterly Report on Form 10-Q are based on a combination of consumption and market share data provided by third-party vendors, primarily Nielsen, and internal estimates. All market share references represent the percentage of the dollar value of sales of our products, relative to all product sales in the category in the countries in which the Company competes and purchases data (excluding Venezuela from all periods).

Market share data is subject to limitations on the availability of up-to-date information. The Company measures year-to-date market shares from January 1 of the relevant year through the most recent period for which market share data is available, which typically reflects a lag time of one or two months. We believe that the third-party vendors we use to provide data are reliable, but we have not verified the accuracy or completeness of the data or any assumptions underlying the data. In addition, market share information calculated by the Company may be different from market share information calculated by other companies due to differences in category definitions, the use of data from different countries, internal estimates and other factors.

Cautionary Statement on Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain forward-looking statements (as that term is defined in the U.S. Private Securities Litigation Reform Act of 1995 or by the SEC in its rules, regulations and releases) that set forth anticipated results based on management's plans and assumptions. Such statements may relate, for example, to sales or volume growth, net selling price increases, organic sales growth, profit or profit margin growth, earnings per share growth, financial goals, the impact of foreign exchange volatility, cost-reduction plans, including the Global Growth and Efficiency Program, tax rates, U.S. tax reform, new product introductions, commercial investment levels, acquisitions and divestitures, or legal or tax proceedings, among other matters. These statements are made on the basis of the Company's views and assumptions as of this time and the Company undertakes no obligation to update these statements whether as a result of new information, future events or otherwise, except as required by law or by the rules and regulations of the SEC. Moreover, the Company does not, nor does any other person, assume responsibility for the accuracy and completeness of those statements. The Company cautions investors that any such forward-looking statements are not guarantees of future performance and that actual events or results may differ materially from those statements. Actual events or results may differ materially because of factors that affect international businesses and global economic conditions, as well as matters specific to the Company and the markets it serves, including the uncertain economic environment in different countries and its effect on consumer spending habits, increased competition and evolving competitive practices, foreign currency rate fluctuations, exchange controls, price or profit controls, labor relations, changes in foreign or domestic laws or regulations or their interpretation, political and fiscal developments, including changes in trade, tax and immigration policies, disruptions in global supply chain, the availability and cost of raw and packaging materials, the ability to maintain or increase selling prices as needed, the ability to implement the Global Growth and Efficiency Program as planned or differences between the actual and the estimated costs or savings under such program, changes in the policies of retail trade customers, the emergence of new sales channels, the growth of e-commerce, the ability to continue lowering costs, the ability to complete acquisitions and divestitures as planned, the ability to successfully integrate acquired businesses, and the uncertainty of the outcome of legal proceedings, whether or not the Company believes they have merit. For information about these and other factors that could impact the Company's business and cause actual results to differ materially from forward-looking statements, refer to the Company's filings with the SEC (including, but not limited to, the information set forth under the captions "Risk Factors" and "Cautionary Statement on Forward-Looking Statements" in the Company's Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent Quarterly Reports on Form

10-Q).

Quantitative and Qualitative Disclosures about Market Risk

There is no material change in the information reported under Part II, Item 7, “Managing Foreign Currency, Interest Rate, Commodity Price and Credit Risk Exposure” contained in our Annual Report on Form 10-K for the year ended December 31, 2017.

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COLGATE-PALMOLIVE COMPANY

Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, under the supervision and with the participation of the Company's Chairman of the Board and Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures as of September 30, 2018 (the "Evaluation"). Based upon the Evaluation, the Company's Chairman of the Board and Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) are effective.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. As part of the Global Growth and Efficiency Program, the Company is implementing a shared business service organization model in all regions of the world. At this time, certain financial transaction processing activities have been transitioned to these shared business service centers. This transition has not materially affected the Company's internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For information regarding legal matters, please refer to Note 12, Contingencies to the Condensed Consolidated Financial Statements contained in Part I of this Quarterly Report on Form 10-Q, which is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors disclosed in Part 1, Item 1A. Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2017.

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

On June 18, 2018, the Board authorized the repurchase of shares of the Company's common stock having an aggregate purchase price of up to \$5 billion under a new share repurchase program (the "2018 Program"), which replaced a previously authorized share repurchase program. The Board also has authorized share repurchases on an ongoing basis to fulfill certain requirements of the Company's compensation and benefit programs. The shares are repurchased from time to time in open market or privately negotiated transactions at the Company's discretion, subject to market conditions, customary blackout periods and other factors.

The following table shows the stock repurchase activity for the three months in the quarter ended September 30, 2018:

Month	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ⁽³⁾ (in millions)
July 1 through 31, 2018	450,607	\$ 65.76	397,500	\$ 4,924
August 1 through 31, 2018	1,881,655	\$ 66.60	1,763,244	\$ 4,806
September 1 through 30, 2018	1,568,897	\$ 67.44	1,477,550	\$ 4,707
Total	3,901,159	\$ 66.84	3,638,294	

⁽¹⁾ Includes share repurchases under the 2018 Program and those associated with certain employee elections under the Company's compensation and benefit programs.

The difference between the total number of shares purchased and the total number of shares purchased as part of
⁽²⁾ publicly announced plans or programs is 262,865 shares, which represents shares deemed surrendered to the Company to satisfy certain employee elections under the Company's compensation and benefit programs.

⁽³⁾ Includes approximate dollar value of shares that were available to be purchased under the publicly announced plans or programs that were in effect as of September 30, 2018.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

None.

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Item 6. Exhibits

Exhibit No.	Description
10	<u>Colgate-Palmolive Company Executive Severance Plan, as amended and restated through September 13, 2018. (Registrant hereby incorporates by reference Exhibit 10-A to its Current Report on Form 8-K filed on September 18, 2018, File No. 1-644.)</u>
12	<u>Computation of Ratio of Earnings to Fixed Charges.</u>
31-A	<u>Certificate of the Chairman of the Board and Chief Executive Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
31-B	<u>Certificate of the Chief Financial Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.</u>
32	<u>Certificate of the Chairman of the Board and Chief Executive Officer and the Chief Financial Officer of Colgate-Palmolive Company pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. § 1350.</u>
101	The following materials from Colgate-Palmolive Company's Quarterly Report on Form 10-Q for the period ended September 30, 2018, formatted in eXtensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Statements of Income; (ii) the Condensed Consolidated Statements of Comprehensive Income; (iii) the Condensed Consolidated Balance Sheets; (iv) the Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements.

COLGATE-PALMOLIVE COMPANY
SIGNATURES

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

COLGATE-PALMOLIVE COMPANY
(Registrant)

Principal Executive Officer:

October 26, 2018 /s/ Ian Cook
Ian Cook
Chairman of the Board and
Chief Executive Officer

Principal Financial Officer:

October 26, 2018 /s/ Henning I. Jakobsen
Henning I. Jakobsen
Chief Financial Officer

Principal Accounting Officer:

October 26, 2018 /s/ Philip G. Shotts
Philip G. Shotts
Vice President and Controller