

AVON PRODUCTS INC
Form 8-K/A
January 10, 2007

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

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): **November 15, 2005**

Avon Products, Inc.

(Exact name of registrant as specified in its charter)

New York
(State or other jurisdiction
of incorporation)

1-4881
(Commission
File Number)

13-0544597
(IRS Employer
Identification No.)

**1345 Avenue of the Americas
New York, New York 10105-0196**
(Address of principal executive offices) (Zip Code)

(212) 282-5000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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INFORMATION TO BE INCLUDED IN THE REPORT

Item 2.05 Costs Associated with Exit or Disposal Activities

On November 15, 2005, Avon Products, Inc. (the "Company") filed a Current Report on Form 8-K (the "November 15, 2005 Form 8-K") regarding its multi-year restructuring initiatives and indicated that restructuring charges and other costs to implement those initiatives over the next several years are expected to total \$300 to \$500 million before taxes, with a significant portion to be incurred in 2006. At that time, the Company was unable in good faith to make a determination of the estimated amount or ranges of amounts to be incurred for each major type of cost and the charges and future cash expenditures associated therewith, as required by Item 2.05 of Form 8-K. In the November 15, 2005 Form 8-K, the Company undertook to announce further details as initiatives are finalized. Subsequently, on February 24, 2006, the Company announced that it anticipates restructuring costs for all initiatives to total in the range of \$500 million.

The Company is filing this Form 8-K/A to amend the November 15, 2005 Form 8-K to update the disclosure therein under Item 2.05.

On January 4, 2007, an officer of the Company, as authorized by a committee of the Board of Directors, approved the termination of certain employees and other actions under initiatives to reorganize certain functions. These initiatives are expected to be completed in 2007 and are part of the previously announced multi-year restructuring effort. The Company expects it will record total charges (substantially all of which will result in future cash expenditures) of approximately \$3 million before taxes for employee-related costs in connection with these initiatives. The Company expects it will record all of the charges in connection with these initiatives in the fourth quarter of 2006.

On January 5, 2007, a committee of the Board of Directors, as authorized by the Board of Directors, approved the termination of certain employees and other actions under an initiative to realign certain distribution facilities. This initiative is expected to be completed by 2012 and is part of the previously announced multi-year restructuring effort. The Company expects it will record total charges of approximately \$25 to \$30 million before taxes for employee-related costs in connection with this initiative. Approximately 80% of the total charges associated with this initiative are expected to result in future cash expenditures. The Company expects it will record charges of approximately \$20 million in connection with this initiative in the fourth quarter of 2006. (On January 9, 2007, the Company filed a related Form 8-K under Item 8.01 to report that the Company had issued a press release announcing plans to restructure its U.S. distribution operations.)

On January 5, 2007, the committee of the Board of Directors, as authorized by the Board of Directors, also approved the termination of certain employees and other actions under an initiative to reorganize certain functions. This initiative is expected to be completed by 2010 and is part of the previously announced multi-year restructuring effort. The Company expects it will record total charges (substantially all of which will result in future cash expenditures) of

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approximately \$3 million before taxes for employee-related costs in connection with this initiative. The Company expects it will record substantially all of the charges in connection with this initiative in the fourth quarter of 2006.

The Company expects to announce further exit and disposal costs. As stated in the November 15, 2005 Form 8-K, the Company intends to file amendments to the report once it is able to make good faith determinations of the estimated costs and future cash expenditures associated with its multi-year restructuring initiatives, as required by Item 2.05 of Form 8-K.

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SIGNATURE

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

AVON PRODUCTS, INC.
(Registrant)

By /s/ Gilbert L. Klemann, II

Gilbert L. Klemann, II
Senior Vice President and General Counsel

Date: January 9, 2007

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