

## Colgate-Palmolive Company

## Condensed Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2016 and 2015

(Dollars in Millions) (Unaudited)

	2016	2015
<b>Operating Activities</b>		
Net income including noncontrolling interests	\$ 1,212	\$ 1,199
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	215	225
Restructuring and termination benefits, net of cash	8	59
Venezuela remeasurement charge	-	16
Stock-based compensation expense	48	51
Deferred income taxes	(41)	(60)
Voluntary benefit plan contribution	(50)	-
Cash effects of changes in:		
Receivables	(132)	(222)
Inventories	(35)	8
Accounts payable and other accruals	69	(77)
Other non-current assets and liabilities	26	24
Net cash provided by operations	1,320	1,223
<b>Investing Activities</b>		
Capital expenditures	(248)	(280)
Purchases of marketable securities and investments	(183)	(365)
Proceeds from sale of marketable securities and investments	87	195
Other	4	12
Net cash used in investing activities	(340)	(438)
<b>Financing Activities</b>		
Principal payments on debt	(4,078)	(4,178)
Proceeds from issuance of debt	4,123	4,686
Dividends paid	(704)	(689)
Purchases of treasury shares	(482)	(767)
Proceeds from exercise of stock options and excess tax benefits	274	192
Net cash used in financing activities	(867)	(756)
Effect of exchange rate changes on Cash and cash equivalents	2	(59)
Net increase (decrease) in Cash and cash equivalents	115	(30)
Cash and cash equivalents at beginning of the period	970	1,089
Cash and cash equivalents at end of the period	\$ 1,085	\$ 1,059
<b>Supplemental Cash Flow Information</b>		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 1,320	\$ 1,223
Less: Capital expenditures	(248)	(280)
Free cash flow before dividends	\$ 1,072	\$ 943
Income taxes paid	\$ 507	\$ 640