

Table 4

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2016 and 2015

(Dollars in Millions) (Unaudited)

	2016	2015
Operating Activities		
Net income including noncontrolling interests	\$ 1,958	\$ 1,969
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	329	337
Restructuring and termination benefits, net of cash	(1)	68
Venezuela remeasurement charge	—	34
Stock-based compensation expense	102	104
Gain on sale of land in Mexico	(97)	—
Gain on sale of South Pacific laundry detergent business	—	(187)
Deferred income taxes	50	(42)
Voluntary benefit plan contribution	(53)	—
Cash effects of changes in:		
Receivables	(126)	(172)
Inventories	4	1
Accounts payable and other accruals	101	(18)
Other non-current assets and liabilities	50	14
Net cash provided by operations	<u>2,317</u>	<u>2,108</u>
Investing Activities		
Capital expenditures	(392)	(459)
Purchases of marketable securities and investments	(271)	(499)
Proceeds from sale of marketable securities and investments	158	398
Proceeds from sale of land in Mexico	60	—
Proceeds from sale of South Pacific laundry detergent business	—	221
Payment for acquisitions, net of cash acquired	—	(13)
Other	—	8
Net cash used in investing activities	<u>(445)</u>	<u>(344)</u>
Financing Activities		
Principal payments on debt	(5,446)	(6,691)
Proceeds from issuance of debt	5,447	7,293
Dividends paid	(1,053)	(1,033)
Purchases of treasury shares	(913)	(1,196)
Proceeds from exercise of stock options and excess tax benefits	418	301
Net cash used in financing activities	<u>(1,547)</u>	<u>(1,326)</u>
Effect of exchange rate changes on Cash and cash equivalents	<u>3</u>	<u>(82)</u>
Net increase in Cash and cash equivalents	328	356
Cash and cash equivalents at beginning of the period	970	1,089
Cash and cash equivalents at end of the period	<u>\$ 1,298</u>	<u>\$ 1,445</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 2,317	\$ 2,108
Less: Capital expenditures	(392)	(459)
Free cash flow before dividends	<u>\$ 1,925</u>	<u>\$ 1,649</u>
Income taxes paid	\$ 696	\$ 967