

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2013 and 2012

(Dollars in Millions) (Unaudited)

	<u>2013</u>	<u>2012</u>
Operating Activities		
Net income including noncontrolling interests	\$ 1,809	\$ 1,995
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	329	317
Restructuring and termination benefits, net of cash	82	(35)
Voluntary benefit plan contributions	(101)	(101)
Stock-based compensation expense	105	98
Venezuela devaluation charge	172	-
Deferred income taxes	35	71
Cash effects of changes in:		
Receivables	(137)	(166)
Inventories	(107)	(48)
Accounts payable and other accruals	121	(27)
Other non-current assets and liabilities	57	29
Net cash provided by operations	<u>2,365</u>	<u>2,133</u>
Investing Activities		
Capital expenditures	(419)	(317)
Sale of property and non-core product lines	-	38
Purchases of marketable securities and investments	(408)	(501)
Proceeds from sale of marketable securities and investments	195	120
Payment for acquisitions, net of cash acquired	-	(29)
Other	4	65
Net cash used in investing activities	<u>(628)</u>	<u>(624)</u>
Financing Activities		
Principal payments on debt	(5,504)	(3,684)
Proceeds from issuance of debt	5,563	4,131
Dividends paid	(1,030)	(951)
Purchases of treasury shares	(1,115)	(1,344)
Proceeds from exercise of stock options and excess tax benefits	276	390
Net cash used in financing activities	<u>(1,810)</u>	<u>(1,458)</u>
Effect of exchange rate changes on Cash and cash equivalents	(90)	(20)
Net increase (decrease) in Cash and cash equivalents	<u>(163)</u>	<u>31</u>
Cash and cash equivalents at beginning of period	884	878
Cash and cash equivalents at end of period	<u>\$ 721</u>	<u>\$ 909</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 2,365	\$ 2,133
Less: Capital expenditures	(419)	(317)
Free cash flow before dividends	<u>\$ 1,946</u>	<u>\$ 1,816</u>
Income taxes paid	\$ 781	\$ 949