

## Colgate-Palmolive Company

## Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2014 and 2013

(Dollars in Millions) (Unaudited)

	<u>2014</u>	<u>2013</u>
<b>Operating Activities</b>		
Net income including noncontrolling interests	\$ 1,673	\$ 1,809
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	329	329
Restructuring and termination benefits, net of cash	69	82
Voluntary benefit plan contribution	(2)	(101)
Venezuela remeasurement charges	327	172
Charge for a foreign tax matter	66	-
Stock-based compensation expense	109	105
Deferred income taxes	(35)	35
Cash effects of changes in:		
Receivables	(222)	(137)
Inventories	(51)	(107)
Accounts payable and other accruals	100	121
Other non-current assets and liabilities	29	57
Net cash provided by operations	<u>2,392</u>	<u>2,365</u>
<b>Investing Activities</b>		
Capital expenditures	(493)	(419)
Purchases of marketable securities and investments	(232)	(408)
Proceeds from sale of marketable securities and investments	277	195
Payment for acquisitions, net of cash acquired	(25)	-
Other	18	4
Net cash used in investing activities	<u>(455)</u>	<u>(628)</u>
<b>Financing Activities</b>		
Principal payments on debt	(6,220)	(5,504)
Proceeds from issuance of debt	6,597	5,563
Dividends paid	(990)	(1,030)
Purchases of treasury shares	(1,119)	(1,115)
Proceeds from exercise of stock options and excess tax benefits	295	276
Net cash used in financing activities	<u>(1,437)</u>	<u>(1,810)</u>
Effect of exchange rate changes on Cash and cash equivalents	(107)	(90)
Net increase (decrease) in Cash and cash equivalents	<u>393</u>	<u>(163)</u>
Cash and cash equivalents at beginning of the period	962	884
Cash and cash equivalents at end of the period	<u>\$ 1,355</u>	<u>\$ 721</u>
<b>Supplemental Cash Flow Information</b>		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 2,392	\$ 2,365
Less: Capital expenditures	(493)	(419)
Free cash flow before dividends	<u>\$ 1,899</u>	<u>\$ 1,946</u>
Income taxes paid	\$ 781	\$ 781