

Table 4

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2018 and 2017

(Dollars in Millions) (Unaudited)

	2018	2017
Operating Activities		
Net income including noncontrolling interests	\$ 1,915	\$ 1,821
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	385	354
Restructuring and termination benefits, net of cash	(20)	80
Stock-based compensation expense	97	106
Charge for U.S. tax reform	80	—
Deferred income taxes	78	(2)
Voluntary benefit plan contributions	(67)	(81)
Cash effects of changes in:		
Receivables	(196)	(50)
Inventories	(36)	16
Accounts payable and other accruals	13	39
Other non-current assets and liabilities	(55)	12
Net cash provided by operations	<u>2,194</u>	<u>2,295</u>
Investing Activities		
Capital expenditures	(321)	(382)
Purchases of marketable securities and investments	(159)	(301)
Proceeds from sale of marketable securities and investments	28	149
Payment for acquisitions, net of cash acquired	(728)	—
Other	6	2
Net cash used in investing activities	<u>(1,174)</u>	<u>(532)</u>
Financing Activities		
Principal payments on debt	(5,478)	(3,551)
Proceeds from issuance of debt	5,536	3,478
Dividends paid	(1,122)	(1,070)
Purchases of treasury shares	(956)	(1,055)
Proceeds from exercise of stock options	319	431
Net cash used in financing activities	<u>(1,701)</u>	<u>(1,767)</u>
Effect of exchange rate changes on Cash and cash equivalents	(13)	69
Net increase (decrease) in Cash and cash equivalents	<u>(694)</u>	<u>65</u>
Cash and cash equivalents at beginning of the period	1,535	1,315
Cash and cash equivalents at end of the period	<u>\$ 841</u>	<u>\$ 1,380</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 2,194	\$ 2,295
Less: Capital expenditures	(321)	(382)
Free cash flow before dividends	<u>\$ 1,873</u>	<u>\$ 1,913</u>
Income taxes paid	\$ 655	\$ 820