

## Colgate-Palmolive Company

## Condensed Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2017 and 2016

(Dollars in Millions) (Unaudited)

	2017	2016
<b>Operating Activities</b>		
Net income including noncontrolling interests	\$ 611	\$ 574
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	109	106
Restructuring and termination benefits, net of cash	(9)	6
Stock-based compensation expense	35	31
Deferred income taxes	(51)	(36)
Voluntary benefit plan contribution	(57)	(50)
Cash effects of changes in:		
Receivables	(52)	(95)
Inventories	9	(32)
Accounts payable and other accruals	98	80
Other non-current assets and liabilities	(2)	30
Net cash provided by operations	<u>691</u>	<u>614</u>
<b>Investing Activities</b>		
Capital expenditures	(121)	(114)
Purchases of marketable securities and investments	(85)	(80)
Proceeds from sale of marketable securities and investments	48	50
Other	—	—
Net cash used in investing activities	<u>(158)</u>	<u>(144)</u>
<b>Financing Activities</b>		
Principal payments on debt	(805)	(2,388)
Proceeds from issuance of debt	738	2,370
Dividends paid	(345)	(340)
Purchases of treasury shares	(333)	(229)
Proceeds from exercise of stock options	225	146
Net cash used in financing activities	<u>(520)</u>	<u>(441)</u>
Effect of exchange rate changes on Cash and cash equivalents	19	15
Net increase in Cash and cash equivalents	32	44
Cash and cash equivalents at beginning of the period	1,315	970
Cash and cash equivalents at end of the period	<u>\$ 1,347</u>	<u>\$ 1,014</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	\$ 691	\$ 614
Less: Capital expenditures	(121)	(114)
Free cash flow before dividends	<u>\$ 570</u>	<u>\$ 500</u>
Income taxes paid	\$ 186	\$ 217