

Colgate-Palmolive Company

Condensed Consolidated Statements of Cash Flows

For the Nine Months Ended September 30, 2017 and 2016

(Dollars in Millions) (Unaudited)

	2017	2016
Operating Activities		
Net income including noncontrolling interests	\$ 1,821	\$ 1,958
Adjustments to reconcile net income including noncontrolling interests to net cash provided by operations:		
Depreciation and amortization	354	329
Restructuring and termination benefits, net of cash	80	(1)
Stock-based compensation expense	106	102
Gain on sale of land in Mexico	—	(97)
Deferred income taxes	(2)	50
Voluntary benefit plan contributions	(81)	(53)
Cash effects of changes in:		
Receivables	(50)	(126)
Inventories	16	4
Accounts payable and other accruals	39	101
Other non-current assets and liabilities	12	50
Net cash provided by operations	<u>2,295</u>	<u>2,317</u>
Investing Activities		
Capital expenditures	(382)	(392)
Purchases of marketable securities and investments	(301)	(271)
Proceeds from sale of marketable securities and investments	149	158
Proceeds from sale of land in Mexico	—	60
Other	2	—
Net cash used in investing activities	<u>(532)</u>	<u>(445)</u>
Financing Activities		
Principal payments on debt	(3,551)	(5,446)
Proceeds from issuance of debt	3,478	5,447
Dividends paid	(1,070)	(1,053)
Purchases of treasury shares	(1,055)	(913)
Proceeds from exercise of stock options	431	418
Net cash used in financing activities	<u>(1,767)</u>	<u>(1,547)</u>
Effect of exchange rate changes on Cash and cash equivalents	69	3
Net increase (decrease) in Cash and cash equivalents	<u>65</u>	<u>328</u>
Cash and cash equivalents at beginning of the period	1,315	970
Cash and cash equivalents at end of the period	<u>\$ 1,380</u>	<u>\$ 1,298</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (Net cash provided by operations less Capital expenditures)		
Net cash provided by operations	\$ 2,295	\$ 2,317
Less: Capital expenditures	(382)	(392)
Free cash flow before dividends	<u>\$ 1,913</u>	<u>\$ 1,925</u>
Income taxes paid	\$ 820	\$ 696