

Table 4

**Colgate-Palmolive Company**  
**Condensed Consolidated Statements of Cash Flows**  
**For the year ended December 31, 2009 and 2008**  
**(Dollars in Millions) (Unaudited)**

	<u>2009</u>	<u>2008*</u>
<b>Operating Activities</b>		
Net income	\$ 2,291	\$ 1,957
Adjustments to reconcile net income to net cash provided by operations:		
Restructuring, net of cash	(18)	(50)
Depreciation and amortization	351	348
Gain before tax on sale of non-core product lines	(5)	-
Stock-based compensation expense	117	100
Deferred income taxes	(23)	(6)
Cash effects of changes in:		
Receivables	57	(70)
Inventories	44	(135)
Accounts payable and other accruals	294	125
Other non-current assets and liabilities	169	33
Net cash provided by operations	<u>3,277</u>	<u>2,302</u>
<b>Investing Activities</b>		
Capital expenditures	(575)	(684)
Sales of property and non-core product lines	17	58
Sales (purchases) of marketable securities and investments	(289)	10
Other	6	3
Net cash used in investing activities	<u>(841)</u>	<u>(613)</u>
<b>Financing Activities</b>		
Principal payments on debt	(3,950)	(2,320)
Proceeds from issuance of debt	3,424	2,515
Dividends paid	(981)	(889)
Purchases of treasury shares	(1,063)	(1,073)
Proceeds from exercise of stock options and excess tax benefits	300	237
Net cash used in financing activities	<u>(2,270)</u>	<u>(1,530)</u>
Effect of exchange rate changes on Cash and cash equivalents	<u>(121)</u>	<u>(33)</u>
Net (decrease) increase in Cash and cash equivalents	45	126
Cash and cash equivalents at beginning of year	555	429
Cash and cash equivalents at end of year	<u>\$ 600</u>	<u>\$ 555</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	\$ 3,277	\$ 2,302
Less: Capital expenditures	(575)	(684)
Free cash flow before dividends	<u>\$ 2,702</u>	<u>\$ 1,618</u>
Income taxes paid	\$ 1,098	\$ 862

\* To conform to the current year presentation required by the Consolidation Topic of the FASB Codification, certain reclassifications have been made to prior year amounts.