

Table 5

**Colgate-Palmolive Company**  
**Condensed Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2008 and 2007**  
**(Dollars in Millions) (Unaudited)**

	2008	2007
<b>Operating Activities</b>		
Net income	\$ 1,957.2	\$ 1,737.4
Adjustments to reconcile net income to net cash provided by operations:		
Restructuring, net of cash	(50.4)	21.3
Depreciation and amortization	347.6	333.9
Gain before tax on sale of non-core product lines	-	(48.6)
Stock-based compensation expense	100.3	110.3
Deferred income taxes	(6.1)	(147.4)
Cash effects of changes in:		
Receivables	(69.8)	(66.5)
Inventories	(134.7)	(111.5)
Accounts payable and other accruals	125.2	366.2
Other non-current assets and liabilities	(31.0)	8.6
Net cash provided by operations	2,238.3	2,203.7
<b>Investing Activities</b>		
Capital expenditures	(683.5)	(583.1)
Payment for acquisitions, net of cash acquired	-	(26.5)
Sale of property and non-core product lines	57.5	109.7
Sales (purchases) of marketable securities and investments	10.4	(11.0)
Other	2.2	(17.4)
Net cash used in investing activities	(613.4)	(528.3)
<b>Financing Activities</b>		
Principal payments on debt	(2,319.9)	(1,737.8)
Proceeds from issuance of debt	2,514.9	1,513.1
Dividends paid	(825.2)	(749.6)
Purchases of treasury shares	(1,072.9)	(1,269.4)
Proceeds from exercise of stock options and excess tax benefits	237.2	489.3
Net cash used in financing activities	(1,465.9)	(1,754.4)
Effect of exchange rate changes on cash and cash equivalents	(32.8)	18.2
Net (decrease)/increase in Cash and cash equivalents	126.2	(60.8)
Cash and cash equivalents at beginning of period	428.7	489.5
Cash and cash equivalents at end of period	\$ 554.9	\$ 428.7
<b>Supplemental Cash Flow Information</b>		
Free cash flow before dividends (net cash provided by operations less capital expenditures)		
Net cash provided by operations	\$ 2,238.3	\$ 2,203.7
Less: Capital expenditures	(683.5)	(583.1)
Free cash flow before dividends	\$ 1,554.8	\$ 1,620.6
Income taxes paid	\$ 862.3	\$ 646.5