

Table 5

**Colgate-Palmolive Company**  
**Condensed Consolidated Statements of Cash Flows**  
**For the Nine Months Ended September 30, 2008 and 2007**  
**(Dollars in Millions) (Unaudited)**

	<u>2008</u>	<u>2007</u>
<b>Operating Activities</b>		
Net income	\$ 1,460.2	\$ 1,322.5
Adjustments to reconcile net income to net cash provided by operations:		
Restructuring, net of cash	(36.3)	(3.6)
Depreciation and amortization	260.9	246.4
Gain before tax on sale of non-core product lines	-	(48.6)
Stock-based compensation expense	82.3	93.1
Deferred income taxes	37.5	(60.2)
Cash effects of changes in:		
Receivables	(131.5)	(167.0)
Inventories	(175.9)	(118.4)
Accounts payable and other accruals	162.3	364.8
Other non-current assets and liabilities	97.5	9.7
Net cash provided by operations	<u>1,757.0</u>	<u>1,638.7</u>
<b>Investing Activities</b>		
Capital expenditures	(392.4)	(327.1)
Sale of property and non-core product lines	47.3	106.0
Payment for acquisitions, net of cash acquired	-	(26.5)
Other	4.1	(56.0)
Net cash used in investing activities	<u>(341.0)</u>	<u>(303.6)</u>
<b>Financing Activities</b>		
Principal payments on debt	(1,424.5)	(1,635.9)
Proceeds from issuance of debt	1,447.3	1,530.4
Dividends paid	(606.8)	(550.4)
Purchases of treasury shares	(833.0)	(866.6)
Proceeds from exercise of stock options and excess tax benefits	223.9	313.7
Net cash used in financing activities	<u>(1,193.1)</u>	<u>(1,208.8)</u>
Effect of exchange rate changes on Cash and cash equivalents	<u>(16.9)</u>	<u>12.6</u>
Net increase in Cash and cash equivalents	206.0	138.9
Cash and cash equivalents at beginning of period	428.7	489.5
Cash and cash equivalents at end of period	<u>\$ 634.7</u>	<u>\$ 628.4</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	\$ 1,757.0	\$ 1,638.7
Less: Capital expenditures	(392.4)	(327.1)
Free cash flow before dividends	<u>\$ 1,364.6</u>	<u>\$ 1,311.6</u>

Income taxes paid

\$ 662.4      \$ 469.3