

Table 5

Colgate-Palmolive Company
Condensed Consolidated Statements of Cash Flows
For the years ended December 31, 2007 and 2006
(Dollars in Millions) (Unaudited)

	<u>2007</u>	<u>2006</u>
Operating Activities		
Net income	\$ 1,737.4	\$ 1,353.4
Adjustments to reconcile net income to net cash provided by operations:		
Restructuring, net of cash	21.3	145.4
Depreciation and amortization	333.9	328.7
Gain before tax on sale of non-core product lines	(48.6)	(46.5)
Stock-based compensation expense	110.3	116.9
Deferred income taxes	(147.4)	(23.2)
Cash effects of changes in:		
Receivables	(66.5)	(116.0)
Inventories	(111.5)	(118.5)
Accounts payable and other accruals	366.2	149.9
Other non-current assets and liabilities	8.6	31.4
Net cash provided by operations	<u>2,203.7</u>	<u>1,821.5</u>
Investing Activities		
Capital expenditures	(583.1)	(476.4)
Sale of property and non-core product lines	109.7	59.4
Payment for acquisitions, net of cash acquired	(26.5)	(200.0)
Other	(28.4)	(3.4)
Net cash used in investing activities	<u>(528.3)</u>	<u>(620.4)</u>
Financing Activities		
Principal payments on debt	(1,737.8)	(1,332.0)
Proceeds from issuance of debt	1,513.1	1,471.1
Dividends paid	(749.6)	(677.8)
Purchases of treasury shares	(1,269.4)	(884.7)
Proceeds from exercise of stock options and excess tax benefits	489.3	364.4
Net cash used in financing activities	<u>(1,754.4)</u>	<u>(1,059.0)</u>
Effect of exchange rate changes on cash and cash equivalents	18.2	6.7
Net (decrease)/increase in Cash and cash equivalents	(60.8)	148.8
Cash and cash equivalents at beginning of period	489.5	340.7
Cash and cash equivalents at end of period	<u>\$ 428.7</u>	<u>\$ 489.5</u>
Supplemental Cash Flow Information		
Free cash flow before dividends (net cash provided by operations less capital expenditures)		
Net cash provided by operations	\$ 2,203.7	\$ 1,821.5
Less: Capital expenditures	(583.1)	(476.4)
Free cash flow before dividends	<u>\$ 1,620.6</u>	<u>\$ 1,345.1</u>
Income taxes paid	\$ 646.5	\$ 647.9