

Tenneco Inc. and Consolidated Subsidiaries
Statements of Cash Flows
(Unaudited)
(Millions)

	Three Months Ended	
	March 31,	
	<u>2006</u>	<u>2005</u>
Operating activities:		
Net income	\$ 7	\$ 7
Adjustments to reconcile income to net cash used by operating activities -		
Depreciation and amortization of other intangibles	44	46
Stock option expense	1	-
Deferred income taxes	5	(4)
Loss on sale of assets, net	1	-
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(82)	(78)
(Inc.)/dec. in inventories	(27)	(46)
(Inc.)/dec. in prepayments and other current assets	(14)	(23)
Inc./(dec.) in payables	67	21
Inc./(dec.) in taxes accrued	(2)	-
Inc./(dec.) in interest accrued	(4)	(3)
Inc./(dec.) in other current liabilities	(18)	(8)
Other	(1)	(8)
Net cash used by operating activities	<u>(23)</u>	<u>(96)</u>
Investing activities:		
Net proceeds from sale of assets	-	1
Expenditures for plant, property & equipment	(38)	(32)
Acquisition of business	-	(11)
Expenditures for software-related intangibles	(3)	(3)
Investments and other	-	3
Net cash used by investing activities	<u>(41)</u>	<u>(42)</u>
Financing activities:		
Issuance of common shares	8	2
Retirement of long-term debt	(1)	(41)
Net inc./(dec.) in short-term debt excluding current maturities on long-term debt	9	33
Other	-	1
Net cash provided (used) by financing activities	<u>16</u>	<u>(5)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>3</u>	<u>(3)</u>
Decrease in cash and cash equivalents	(45)	(146)
Cash and cash equivalents, January 1	141	214
Cash and cash equivalents, March 31	<u>\$ 96</u>	<u>\$ 68</u>
Cash paid during the period for interest	\$ 34	\$ 31
Cash paid during the period for income taxes	-	\$ 7