

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

	Three Months Ended	
	March 31,	
	<u>2007</u>	<u>2006</u>
Operating activities:		
Net income	\$ 3	\$ 7
Adjustments to reconcile income to net cash used by operating activities -		
Depreciation and amortization of other intangibles	48	44
Stock option expense	1	1
Deferred income taxes	(3)	5
Loss on sale of assets, net	2	1
Changes in components of working capital -		
(Inc.)/dec. in receivables	(198)	(82)
(Inc.)/dec. in inventories	(74)	(27)
(Inc.)/dec. in prepayments and other current assets	(13)	(14)
Inc./(dec.) in payables	150	65
Inc./(dec.) in taxes accrued	(4)	(2)
Inc./(dec.) in interest accrued	(9)	(4)
Inc./(dec.) in other current liabilities	4	(18)
Other	(2)	(1)
Net cash used by operating activities	<u>(95)</u>	<u>(25)</u>
Investing activities:		
Net proceeds from sale of assets	-	-
Cash Payments for plant, property & equipment	(38)	(36)
Acquisition of business	-	-
Cash payments for software-related intangibles	(7)	(3)
Investments and other	1	-
Net cash used by investing activities	<u>(44)</u>	<u>(39)</u>
Financing activities:		
Issuance of common shares	2	8
Issuance of long-term debt	150	-
Debt issuance costs on long-term debt	(6)	-
Retirement of long-term debt	(357)	(1)
Net inc./(dec.) in short-term debt excluding current maturities on long-term debt	280	9
Other	1	-
Net cash provided (used) by financing activities	<u>70</u>	<u>16</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>3</u>	<u>3</u>
Decrease in cash and cash equivalents	(66)	(45)
Cash and cash equivalents, January 1	202	141
Cash and cash equivalents, March 31	<u>\$ 136</u>	<u>\$ 96</u>
Cash paid during the period for interest	\$ 42	\$ 34
Cash paid during the period for income taxes	8	-
Period ended balance of payables for plant, property and equipment	17	16