

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

	Three Months Ended March 31,	
	2008	2007 ⁽¹⁾
Operating activities:		
Net income	\$ 6	\$ 5
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	55	48
Stock option expense	3	2
Deferred income taxes	(5)	(3)
Loss on sale of assets, net	2	2
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(87)	(201)
(Inc.)/dec. in inventories	(43)	(74)
(Inc.)/dec. in prepayments and other current assets	(18)	(11)
Inc./(dec.) in payables	16	150
Inc./(dec.) in taxes accrued	3	(4)
Inc./(dec.) in interest accrued	9	(5)
Inc./(dec.) in other current liabilities	(11)	6
Other	3	(8)
Net cash used by operating activities	<u>(67)</u>	<u>(93)</u>
Investing activities:		
Net proceeds from sale of assets	1	-
Cash payments for plant, property & equipment	(63)	(39)
Cash payments for software-related intangibles	(5)	(7)
Investments and other	-	1
Net cash used by investing activities	<u>(67)</u>	<u>(45)</u>
Financing activities:		
Issuance of common shares	1	2
Issuance of long-term debt	-	150
Debt issuance costs on long-term debt	-	(6)
Retirement of long-term debt	(3)	(357)
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	91	280
Distribution to minority interest partners	(2)	(1)
Other	-	1
Net cash provided by financing activities	<u>87</u>	<u>69</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>20</u>	<u>3</u>
Decrease in cash and cash equivalents	(27)	(66)
Cash and cash equivalents, January 1	188	202
Cash and cash equivalents, March 31	<u>\$ 161</u>	<u>\$ 136</u>
Cash paid during the period for interest	\$ 22	\$ 42
Cash paid during the period for income taxes	12	8
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 29	\$ 17

⁽¹⁾ As disclosed in Tenneco's Form 10-K/A filed August 14, 2007, Tenneco restated its financial results for the years ended December 31, 2004, 2005 and 2006 and for the quarters ended March 31, 2006 and 2007, June 30, 2006 and September 30, 2006. The amounts presented in this table reflect the results of the restatement.