

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

	Three Months Ended	
	March 31,	
	2011	2010
Operating activities:		
Net income	\$ 52	\$ 12
Adjustments to reconcile net income to net cash used by operating activities -		
Depreciation and amortization of other intangibles	51	55
Stock-based compensation	2	3
Deferred income taxes	(5)	(3)
Loss on sale of assets	-	2
Changes in components of working capital-		
(Inc.)/dec. in receivables	(251)	(191)
(Inc.)/dec. in inventories	(77)	(44)
(Inc.)/dec. in prepayments and other current assets	(15)	(7)
Inc./(dec.) in payables	139	120
Inc./(dec.) in taxes accrued	8	7
Inc./(dec.) in interest accrued	8	9
Inc./(dec.) in other current liabilities	1	(6)
Changes in long-term assets	(3)	(1)
Changes in long-term liabilities	(12)	(11)
Other	(1)	(2)
Net cash used by operating activities	<u>(103)</u>	<u>(57)</u>
Investing activities:		
Proceeds from sale of assets	4	1
Cash payments for plant, property & equipment	(46)	(38)
Cash payments for software-related intangibles	(3)	(2)
Investments and other	-	1
Net cash used by investing activities	<u>(45)</u>	<u>(38)</u>
Financing activities:		
Retirement of long-term debt	(22)	(8)
Net inc./(dec.) in bank overdrafts	7	(1)
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt and short-term borrowings secured by accounts receivable	47	2
Net inc./(dec.) in short-term borrowings secured by accounts receivable	82	126
Distribution to noncontrolling interest partners	-	(1)
Net cash provided by financing activities	<u>114</u>	<u>118</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>-</u>	<u>3</u>
Increase (Decrease) in cash and cash equivalents	(34)	26
Cash and cash equivalents, January 1	233	167
Cash and cash equivalents, March 31	<u>\$ 199</u>	<u>\$ 193</u>
Cash paid during the period for interest	\$ 19	\$ 22
Cash paid during the period for income taxes (net of refunds)	10	8
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 25	\$ 16