

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

	Three Months Ended	
	March 31,	
	<u>2012</u>	<u>2011</u>
Operating activities:		
Net income	\$ 36	\$ 52
Adjustments to reconcile net income to net cash used by operating activities -		
Depreciation and amortization of other intangibles	49	51
Stock-based compensation	4	2
Deferred income taxes	(5)	(5)
Loss on sale of assets	1	-
Changes in components of working capital-		
(Inc.)/dec. in receivables	(181)	(251)
(Inc.)/dec. in inventories	(76)	(77)
(Inc.)/dec. in prepayments and other current assets	(16)	(15)
Inc./(dec.) in payables	88	139
Inc./(dec.) in accrued taxes	1	8
Inc./(dec.) in accrued interest	-	8
Inc./(dec.) in other current liabilities	13	1
Changes in long-term assets	8	(3)
Changes in long-term liabilities	(5)	(12)
Other	(2)	(1)
Net cash used by operating activities	<u>(85)</u>	<u>(103)</u>
Investing activities:		
Proceeds from sale of assets	1	4
Cash payments for plant, property & equipment	(65)	(46)
Cash payments for software-related intangible assets	(4)	(3)
Net cash used by investing activities	<u>(68)</u>	<u>(45)</u>
Financing activities:		
Issuance of long-term debt	250	-
Debt issuance costs on long-term debt	(12)	-
Retirement of long-term debt	(381)	(22)
Net inc./(dec.) in bank overdrafts	2	7
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	233	47
Net inc./(dec.) in short-term borrowings secured by accounts receivable	30	82
Net cash provided by financing activities	<u>122</u>	<u>114</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>10</u>	<u>-</u>
Decrease in cash and cash equivalents	(21)	(34)
Cash and cash equivalents, January 1	214	233
Cash and cash equivalents, March 31	<u>\$ 193</u>	<u>\$ 199</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest (net of interest capitalized)	\$ 35	\$ 19
Cash paid during the period for income taxes (net of refunds)	17	10
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 29	\$ 25