

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

	Six Months Ended	
	June 30,	
	2004	2003
Operating activities:		
Net income	\$ 28	\$ 25
Adjustments to reconcile income to net cash provided by operating activities -		
Depreciation and amortization	89	80
Deferred income taxes	(5)	(10)
Changes in components of working capital -		
(Inc.)/dec. in receivables	(113)	(87)
(Inc.)/dec. in inventories	(16)	24
(Inc.)/dec. in prepayments and other current assets	(27)	(1)
Inc./(dec.) in payables	60	30
Inc./(dec.) in taxes accrued	13	(19)
Inc./(dec.) in interest accrued	(2)	(5)
Inc./(dec.) in other current liabilities	24	(19)
Other	8	10
Net cash provided by operating activities	<u>59</u>	<u>28</u>
Investing activities:		
Net proceeds from sale of assets	11	3
Expenditures for plant, property & equipment	(54)	(54)
Investments and other	(2)	(2)
Net cash used by investing activities	<u>(45)</u>	<u>(53)</u>
Net cash provided (used) before financing activities	14	(25)
Financing activities:		
Issuance of common shares	4	-
Proceeds from capital contributions	-	1
Issuance of long-term debt	-	350
Debt issuance costs on long-term debt	-	(12)
Retirement of long-term debt	(4)	(276)
Net inc./(dec.) in short-term debt excluding current maturities on long-term debt	1	(25)
Other	2	(1)
Net cash provided by financing activities	<u>3</u>	<u>37</u>
Effect of foreign exchange rate changes on cash and temporary cash investments	<u>4</u>	<u>(8)</u>
Inc./(dec.) in cash and temporary cash investments	21	4
Cash and temporary cash investments, January 1	145	54
Cash and temporary cash investments, June 30	<u>\$ 166</u>	<u>\$ 58</u>
Cash paid during the period for interest	\$ 74	\$ 67
Cash paid during the period for income taxes	\$ 7	\$ 30