

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

	Six Months Ended	
	June 30,	
	<u>2006</u>	<u>2005</u>
Operating activities:		
Net income	\$ 31	\$ 40
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	91	90
Stock option expense	2	-
Deferred income taxes	8	(5)
Loss on sale of assets, net	2	1
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(102)	(200)
(Inc.)/dec. in inventories	(40)	(33)
(Inc.)/dec. in prepayments and other current assets	(27)	(19)
Inc./(dec.) in payables	90	64
Inc./(dec.) in taxes accrued	-	19
Inc./(dec.) in interest accrued	1	2
Inc./(dec.) in other current liabilities	(4)	(10)
Other	5	(13)
Net cash provided (used) by operating activities	<u>57</u>	<u>(64)</u>
Investing activities:		
Net proceeds from sale of assets	2	3
Expenditures for plant, property & equipment	(87)	(63)
Acquisition of business	-	(7)
Expenditures for software-related intangibles	(6)	(11)
Investments and other	1	2
Net cash (used) by investing activities	<u>(90)</u>	<u>(76)</u>
Financing activities:		
Issuance of common shares	10	4
Retirement of long-term debt	(2)	(42)
Net inc./(dec.) in short-term debt excluding current maturities on long-term debt	(3)	34
Other	2	-
Net cash provided (used) by financing activities	<u>7</u>	<u>(4)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>8</u>	<u>(4)</u>
Decrease in cash and cash equivalents	(18)	(148)
Cash and cash equivalents, January 1	141	214
Cash and cash equivalents, June 30	<u>\$ 123</u>	<u>\$ 66</u>
Cash paid during the period for interest	\$ 67	\$ 61
Cash paid during the period for income taxes	7	11