

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

	Three Months Ended	
	June 30,	
	2007	2006⁽¹⁾
Operating activities:		
Net income	\$ 40	\$ 24
Adjustments to reconcile income to net cash used by operating activities -		
Depreciation and amortization of other intangibles	50	47
Stock option expense	1	1
Deferred income taxes	(10)	2
Loss on sale of assets, net	1	1
Changes in components of working capital -		
(Inc.)/dec. in receivables	(112)	(20)
(Inc.)/dec. in inventories	3	(13)
(Inc.)/dec. in prepayments and other current assets	(14)	(14)
Inc./(dec.) in payables	89	16
Inc./(dec.) in taxes accrued	-	2
Inc./(dec.) in interest accrued	6	5
Inc./(dec.) in other current liabilities	14	14
Other	(1)	8
Net cash provided by operating activities	<u>67</u>	<u>73</u>
Investing activities:		
Net proceeds from sale of assets	1	2
Cash Payments for plant, property & equipment	(36)	(42)
Cash payments for software-related intangibles	(4)	(3)
Investments and other	1	1
Net cash used by investing activities	<u>(38)</u>	<u>(42)</u>
Financing activities:		
Issuance of common shares	2	2
Issuance of long-term debt	-	-
Debt issuance costs on long-term debt	-	-
Retirement of long-term debt	(2)	(1)
Net inc./(dec.) in short-term debt excluding current maturities on long-term debt	(7)	(12)
Other	(1)	2
Net cash used by financing activities	<u>(8)</u>	<u>(9)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>11</u>	<u>5</u>
Increase in cash and cash equivalents	32	27
Cash and cash equivalents, April 1	136	96
Cash and cash equivalents, June 30	<u>\$ 168</u>	<u>\$ 123</u>
Cash paid during the period for interest	\$ 35	\$ 33
Cash paid during the period for income taxes	20	7
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property and equipment	15	23

⁽¹⁾ As disclosed in Tenneco's July 23, 2007 press release, Tenneco is restating 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 preliminary results of the restatement.