

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

	Six Months Ended	
	June 30,	
	2007⁽¹⁾	2006⁽¹⁾
Operating activities:		
Net income	\$ 45	\$ 27
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	98	91
Stock option expense	2	2
Deferred income taxes	(12)	7
Loss on sale of assets, net	3	2
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(310)	(102)
(Inc.)/dec. in inventories	(71)	(40)
(Inc.)/dec. in prepayments and other current assets	(26)	(28)
Inc./(dec.) in payables	240	92
Inc./(dec.) in taxes accrued	(4)	-
Inc./(dec.) in interest accrued	(3)	1
Inc./(dec.) in other current liabilities	17	(4)
Other	(6)	11
Net cash provided (used) by operating activities	<u>(27)</u>	<u>59</u>
Investing activities:		
Net proceeds from sale of assets	1	2
Expenditures for plant, property & equipment	(75)	(89)
Expenditures for software-related intangibles	(11)	(6)
Investments and other	2	1
Net cash used by investing activities	<u>(83)</u>	<u>(92)</u>
Financing activities:		
Issuance of common shares	4	10
Issuance of long-term debt	150	-
Debt issuance costs on long-term debt	(6)	-
Retirement of long-term debt	(359)	(2)
Net inc. in short-term debt excluding current maturities on long-term debt	273	(3)
Other	-	2
Net cash provided by financing activities	<u>62</u>	<u>7</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>14</u>	<u>8</u>
Decrease in cash and cash equivalents	(34)	(18)
Cash and cash equivalents, January 1	202	141
Cash and cash equivalents, June 30	<u>\$ 168</u>	<u>\$ 123</u>
Cash paid during the period for interest	\$ 77	\$ 67
Cash paid during the period for income taxes	28	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.