

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

	Three Months Ended	
	June 30,	
	2008	2007
Operating activities:		
Net income	\$ 13	\$ 41
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	57	50
Stock-based compensation	2	2
Deferred income taxes	(13)	(10)
Loss on sale of assets	3	1
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(61)	(111)
(Inc.)/dec. in inventories	(4)	3
(Inc.)/dec. in prepayments and other current assets	(22)	(13)
Inc./dec. in payables	29	91
Inc./dec. in taxes accrued	26	-
Inc./dec. in interest accrued	(10)	2
Inc./dec. in other current liabilities	26	13
Other	15	(2)
Net cash provided by operating activities	<u>61</u>	<u>67</u>
Investing activities:		
Proceeds from sale of assets	1	1
Cash payments for plant, property & equipment	(64)	(36)
Cash payments for software-related intangibles	(3)	(4)
Acquisition of business	(19)	-
Investments and other	-	1
Net cash used by investing activities	<u>(85)</u>	<u>(38)</u>
Financing activities:		
Issuance of common shares	-	2
Retirement of long-term debt	-	(2)
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt	30	(7)
Distribution to minority interest partners	(2)	-
Other	-	(1)
Net cash provided (used) by financing activities	<u>28</u>	<u>(8)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(1)</u>	<u>11</u>
Increase in cash and cash equivalents	3	32
Cash and cash equivalents, April 1	161	136
Cash and cash equivalents, June 30	<u>\$ 164</u>	<u>\$ 168</u>
Cash paid during the period for interest	\$ 39	\$ 35
Cash paid during the period for income taxes	12	20
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 22	\$ 15