

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

|  | <b>Three Months Ended</b> |               |
|--|---------------------------|---------------|
|  | <b>June 30,</b>           |               |
|  | <b>2009</b>               | <b>2008</b>   |
| Operating activities:  |                           |               |
| Net income (loss)  | \$ (29)                   | \$ 15         |
| Adjustments to reconcile net income (loss)<br>to net cash provided (used) by operating activities -          |                           |               |
| Depreciation and amortization of other intangibles   | 55                        | 57            |
| Stock-based compensation   | 2                         | 2             |
| Deferred income taxes  | (4)                       | (13)          |
| Loss on sale of assets   | 2                         | 3             |
| Changes in components of working capital-  |                           |               |
| (Inc.)/dec. in receivables   | (3)                       | (61)          |
| (Inc.)/dec. in inventories   | 33                        | (4)           |
| (Inc.)/dec. in prepayments and other current assets  | (4)                       | (22)          |
| Inc./(dec.) in payables  | 38                        | 27            |
| Inc./(dec.) in taxes accrued   | 22                        | 26            |
| Inc./(dec.) in interest accrued  | (9)                       | (10)          |
| Inc./(dec.) in other current liabilities   | (2)                       | 27            |
| Changes in long-term assets  | 4                         | 14            |
| Changes in long-term liabilities   | 6                         | 2             |
| Other  | 1                         | (5)           |
| Net cash provided by operating activities  | <u>112</u>                | <u>58</u>     |
| Investing activities:  |                           |               |
| Proceeds from sale of assets   | -                         | 1             |
| Cash payments for plant, property & equipment  | (30)                      | (64)          |
| Cash payments for software-related intangibles   | (2)                       | (3)           |
| Acquisition of business, net of cash acquired  | -                         | (19)          |
| Net cash used by investing activities  | <u>(32)</u>               | <u>(85)</u>   |
| Financing activities:  |                           |               |
| Retirement of long-term debt   | (7)                       | -             |
| Net inc./(dec.) in bank overdrafts   | (11)                      | 3             |
| Net inc./(dec.) in revolver borrowings and short-term debt excluding current<br>maturities on long-term debt | (62)                      | 30            |
| Distribution to noncontrolling interest partners   | (10)                      | (2)           |
| Net cash provided (used) by financing activities   | <u>(90)</u>               | <u>31</u>     |
| Effect of foreign exchange rate changes on cash and<br>cash equivalents                                      | <u>8</u>                  | <u>(1)</u>    |
| Increase (decrease) in cash and cash equivalents   | (2)                       | 3             |
| Cash and cash equivalents, April 1   | 113                       | 161           |
| Cash and cash equivalents, June 30   | <u>\$ 111</u>             | <u>\$ 164</u> |
| Cash paid during the period for interest   | \$ 43                     | \$ 39         |
| Cash paid during the period for income taxes (net of refunds)  | 8                         | 12            |
| Non-cash Investing and Financing Activities  |                           |               |
| Period ended balance of payables for plant, property, and equipment  | \$ 11                     | \$ 22         |