

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

	Three Months Ended	
	June 30,	
	2011	2010
Operating activities:		
Net income	\$ 57	\$ 46
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	54	53
Stock-based compensation	2	2
Deferred income taxes	-	5
Loss on sale of assets	1	1
Changes in components of working capital-		
(Inc.)/dec. in receivables	(39)	(102)
(Inc.)/dec. in inventories	17	(27)
(Inc.)/dec. in prepayments and other current assets	(9)	9
Inc./(dec.) in payables	(5)	112
Inc./(dec.) in accrued taxes	(8)	(6)
Inc./(dec.) in accrued interest	(8)	(8)
Inc./(dec.) in other current liabilities	16	25
Changes in long-term assets	-	2
Changes in long-term liabilities	(9)	(10)
Other	(2)	2
Net cash provided by operating activities	<u>67</u>	<u>104</u>
Investing activities:		
Cash payments for plant, property & equipment	(49)	(34)
Cash payments for software-related intangible assets	(3)	(6)
Investments and other	-	1
Net cash used by investing activities	<u>(52)</u>	<u>(39)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(11)	-
Issuance of long-term debt	4	155
Debt issuance costs on long-term debt	(1)	(9)
Retirement of long-term debt	(1)	(129)
Net inc./(dec.) in bank overdrafts	1	3
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt and short-term borrowings secured by accounts receivable	41	18
Net inc./(dec.) in short-term borrowings secured by accounts receivable	(82)	(126)
Capital contribution from noncontrolling interest partner	1	-
Distribution to noncontrolling interest partners	(10)	(10)
Net cash used by financing activities	<u>(58)</u>	<u>(98)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>5</u>	<u>(14)</u>
Decrease in cash and cash equivalents	(38)	(47)
Cash and cash equivalents, April 1	199	193
Cash and cash equivalents, June 30	<u>\$ 161</u>	<u>\$ 146</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 34	\$ 39
Cash paid during the period for income taxes (net of refunds)	23	16
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 22	\$ 11