

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

	Six Months Ended	
	June 30,	
	2011	2010
Operating activities:		
Net income	\$ 109	\$ 58
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	105	108
Stock-based compensation	4	5
Deferred income taxes	(5)	2
Loss on sale of assets	1	3
Changes in components of working capital-		
(Inc.)/dec. in receivables	(290)	(293)
(Inc.)/dec. in inventories	(60)	(71)
(Inc.)/dec. in prepayments and other current assets	(24)	2
Inc./(dec.) in payables	134	232
Inc./(dec.) in accrued taxes	-	1
Inc./(dec.) in accrued interest	-	1
Inc./(dec.) in other current liabilities	17	19
Changes in long-term assets	(3)	1
Changes in long-term liabilities	(21)	(21)
Other	(3)	-
Net cash provided (used) by operating activities	<u>(36)</u>	<u>47</u>
Investing activities:		
Proceeds from sale of assets	4	1
Cash payments for plant, property & equipment	(95)	(72)
Cash payments for software-related intangible assets	(6)	(8)
Investments and other	-	2
Net cash used by investing activities	<u>(97)</u>	<u>(77)</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	(23)	(137)
Net inc./(dec.) in bank overdrafts	8	2
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	88	20
Capital contribution from noncontrolling interest partner	1	-
Distribution to noncontrolling interest partners	(10)	(11)
Net cash provided by financing activities	<u>56</u>	<u>20</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>5</u>	<u>(11)</u>
Decrease in cash and cash equivalents	(72)	(21)
Cash and cash equivalents, January 1	233	167
Cash and cash equivalents, June 30	<u>\$ 161</u>	<u>\$ 146</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 53	\$ 61
Cash paid during the period for income taxes (net of refunds)	33	24
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 22	\$ 11