

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

	Three Months Ended	
	June 30,	
	2012	2011
Operating activities:		
Net income	\$ 95	\$ 57
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	50	54
Stock-based compensation	3	2
Deferred income taxes	(2)	-
Loss on sale of assets	1	1
Changes in components of working capital-		
(Inc.)/dec. in receivables	(31)	(39)
(Inc.)/dec. in inventories	(7)	17
(Inc.)/dec. in prepayments and other current assets	(23)	(9)
Inc./(dec.) in payables	(2)	(5)
Inc./(dec.) in accrued taxes	17	(8)
Inc./(dec.) in accrued interest	(4)	(8)
Inc./(dec.) in other current liabilities	2	16
Changes in long-term assets	1	-
Changes in long-term liabilities	(17)	(9)
Other	3	(2)
Net cash provided by operating activities	<u>86</u>	<u>67</u>
Investing activities:		
Cash payments for plant, property & equipment	(60)	(49)
Cash payments for software-related intangible assets	(3)	(3)
Net cash used by investing activities	<u>(63)</u>	<u>(52)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(18)	(11)
Issuance of long-term debt	-	4
Debt issuance costs on long-term debt	(1)	(1)
Retirement of long-term debt	(22)	(1)
Net inc./(dec.) in bank overdrafts	(2)	1
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	3	41
Net inc./(dec.) in short-term borrowings secured by accounts receivable	30	(82)
Capital contribution from noncontrolling interest partner	1	1
Distribution to noncontrolling interest partners	(18)	(10)
Net cash used by financing activities	<u>(27)</u>	<u>(58)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(8)</u>	<u>5</u>
Decrease in cash and cash equivalents	(12)	(38)
Cash and cash equivalents, April 1	193	199
Cash and cash equivalents, June 30	<u>\$ 181</u>	<u>\$ 161</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest (net of interest capitalized)	\$ 24	\$ 34
Cash paid during the period for income taxes (net of refunds)	19	23
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 30	\$ 22