

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

	Six Months Ended	
	June 30,	
	2012	2011
Operating activities:		
Net income	\$ 131	\$ 109
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	99	105
Stock-based compensation	7	4
Deferred income taxes	(7)	(5)
Loss on sale of assets	2	1
Changes in components of working capital-		
(Inc.)/dec. in receivables	(212)	(290)
(Inc.)/dec. in inventories	(83)	(60)
(Inc.)/dec. in prepayments and other current assets	(39)	(24)
Inc./dec. in payables	86	134
Inc./dec. in accrued taxes	18	-
Inc./dec. in accrued interest	(4)	-
Inc./dec. in other current liabilities	15	17
Changes in long-term assets	9	(3)
Changes in long-term liabilities	(22)	(21)
Other	1	(3)
Net cash provided (used) by operating activities	<u>1</u>	<u>(36)</u>
Investing activities:		
Proceeds from sale of assets	1	4
Cash payments for plant, property & equipment	(125)	(95)
Cash payments for software-related intangible assets	(7)	(6)
Net cash used by investing activities	<u>(131)</u>	<u>(97)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(18)	(11)
Issuance of long-term debt	250	4
Debt issuance costs on long-term debt	(13)	(1)
Retirement of long-term debt	(403)	(23)
Net inc./dec. in bank overdrafts	-	8
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	236	88
Net inc./dec. in short-term borrowings secured by accounts receivable	60	-
Capital contribution from noncontrolling interest partner	1	1
Distribution to noncontrolling interest partners	(18)	(10)
Net cash provided by financing activities	<u>95</u>	<u>56</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>2</u>	<u>5</u>
Decrease in cash and cash equivalents	(33)	(72)
Cash and cash equivalents, January 1	214	233
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)	\$ 59	\$ 53
Cash paid during the period for income taxes (net of refunds)	36	33
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 30	\$ 22