

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

	Nine Months Ended	
	September 30,	
	2006	2005
Operating activities:		
Net income	\$ 37	\$ 50
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	136	134
Stock option expense	3	-
Deferred income taxes	9	3
Loss on sale of assets, net	2	2
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(85)	(209)
(Inc.)/dec. in inventories	(47)	(22)
(Inc.)/dec. in prepayments and other current assets	(34)	(23)
Inc./(dec.) in payables	51	52
Inc./(dec.) in taxes accrued	(8)	11
Inc./(dec.) in interest accrued	(4)	(2)
Inc./(dec.) in other current liabilities	-	5
Other	-	(27)
Net cash provided (used) by operating activities	<u>60</u>	<u>(26)</u>
Investing activities:		
Net proceeds from sale of assets	6	4
Expenditures for plant, property & equipment	(130)	(100)
Acquisition of business	-	(11)
Expenditures for software-related intangibles	(9)	(12)
Investments and other	(1)	1
Net cash (used) by investing activities	<u>(134)</u>	<u>(118)</u>
Financing activities:		
Issuance of common shares	13	6
Issuance of long-term debt	-	1
Retirement of long-term debt	(3)	(43)
Net inc. in short-term debt excluding current maturities on long-term debt	29	56
Other	2	1
Net cash provided by financing activities	<u>41</u>	<u>21</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>8</u>	<u>(2)</u>
Decrease in cash and cash equivalents	(25)	(125)
Cash and cash equivalents, January 1	141	214
Cash and cash equivalents, September 30	<u>\$ 116</u>	<u>\$ 89</u>
Cash paid during the period for interest	\$ 103	\$ 94
Cash paid during the period for income taxes	18	16