

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

	<b>Three Months Ended</b>	
	<b>September 30,</b>	
	<b>2007</b>	<b>2006<sup>(1)</sup></b>
Operating activities:		
Net income	\$ 21	\$ 7
Adjustments to reconcile income to net cash used by operating activities -		
Depreciation and amortization of other intangibles	52	45
Stock option expense	3	1
Deferred income taxes	(10)	2
(Gain)/loss on sale of assets, net	3	-
Changes in components of working capital -		
(Inc.)/dec. in receivables	29	14
(Inc.)/dec. in inventories	(42)	(8)
(Inc.)/dec. in prepayments and other current assets	(11)	(7)
Inc./dec. in payables	(46)	(37)
Inc./dec. in taxes accrued	(6)	(8)
Inc./dec. in interest accrued	(1)	(1)
Inc./dec. in other current liabilities	7	3
Other	(8)	(6)
Net cash provided (used) by operating activities	<u>(9)</u>	<u>5</u>
Investing activities:		
Net proceeds from sale of assets	1	4
Cash payments for plant, property & equipment	(41)	(45)
Cash payments for net assets purchased from Combustion Components Associated, Inc., net	(16)	-
Cash payments for software-related intangibles	(3)	(3)
Investments and other	(2)	(2)
Net cash used by investing activities	<u>(61)</u>	<u>(46)</u>
Financing activities:		
Issuance of common shares	2	3
Issuance of long-term debt	-	-
Debt issuance costs on long-term debt	-	-
Retirement of long-term debt	(2)	(1)
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt	87	32
Distributions to minority interest partners	(2)	-
Other	2	-
Net cash used by financing activities	<u>87</u>	<u>34</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>18</u>	<u>-</u>
Increase (Decrease) in cash and cash equivalents	35	(7)
Cash and cash equivalents, July 1	168	123
Cash and cash equivalents, September 30	<u>\$ 203</u>	<u>\$ 116</u>
Cash paid during the period for interest	\$ 34	\$ 36
Cash paid during the period for income taxes	17	11
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property and equipment	24	21

(1) As disclosed in Tenneco's Form 10-K/A filed August 14, 2007, Tenneco restated its financial results for the years ended December 31, 2004, 2005 and 2006 and for the quarters ended March 31, 2006 and 2007, June 30, 2006 and September 30, 2006. The amounts presented in this table reflect the results of the restatement.