

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

	Three Months Ended	
	September 30,	
	2008	2007
Operating activities:		
Net income (loss)	\$ (136)	\$ 21
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	56	52
Stock-based compensation	2	3
Deferred income taxes	102	(10)
Loss on sale of assets	2	3
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	34	30
(Inc.)/dec. in inventories	(4)	(42)
(Inc.)/dec. in prepayments and other current assets	(3)	(11)
Inc./dec. in payables	(9)	(47)
Inc./dec. in taxes accrued	(17)	(6)
Inc./dec. in interest accrued	9	(1)
Inc./dec. in other current liabilities	(12)	5
Changes in long-term assets	-	3
Changes in long-term liabilities	19	(5)
Other	(3)	1
Net cash provided (used) by operating activities	<u>40</u>	<u>(4)</u>
Investing activities:		
Proceeds from sale of assets	-	1
Cash payments for plant, property & equipment	(65)	(41)
Cash payments for software-related intangibles	(1)	(3)
Cash payment for net assets purchased	-	(16)
Acquisition of business, net of cash acquired	3	-
Investments and other	-	(2)
Net cash used by investing activities	<u>(63)</u>	<u>(61)</u>
Financing activities:		
Issuance of common shares	-	2
Retirement of long-term debt	(1)	(2)
Net inc./dec. in bank overdrafts	(18)	(5)
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt	27	87
Distribution to minority interest partners	-	(2)
Other	-	2
Net cash provided by financing activities	<u>8</u>	<u>82</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(22)</u>	<u>18</u>
Increase (Decrease) in cash and cash equivalents	(37)	35
Cash and cash equivalents, July 1	164	168
Cash and cash equivalents, September 30	<u>\$ 127</u>	<u>\$ 203</u>
Cash paid during the period for interest	\$ 22	\$ 34
Cash paid during the period for income taxes	26	17
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 24	\$ 24
Assumption of debt from business acquisition	10	-