

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

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2008</b>	<b>2007</b>
Operating activities:		
Net income (loss)	\$ (117)	\$ 67
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	168	150
Stock-based compensation	7	7
Deferred income taxes	84	(23)
Loss on sale of assets	7	8
Changes in components of working capital (net of acquisition)-		
(Inc./)dec. in receivables	(114)	(282)
(Inc./)dec. in inventories	(51)	(113)
(Inc./)dec. in prepayments and other current assets	(42)	(35)
Inc./)dec.) in payables	41	171
Inc./)dec.) in taxes accrued	8	(10)
Inc./)dec.) in interest accrued	8	(4)
Inc./)dec.) in other current liabilities	4	25
Changes in long-term assets	4	10
Changes in long-term liabilities	25	(14)
Other	2	2
Net cash provided (used) by operating activities	<u>34</u>	<u>(41)</u>
Investing activities:		
Proceeds from sale of assets	2	2
Cash payments for plant, property & equipment	(192)	(116)
Cash payments for software-related intangibles	(9)	(14)
Cash payment for net assets purchased	-	(16)
Acquisition of business	(16)	-
Investments and other	-	-
Net cash used by investing activities	<u>(215)</u>	<u>(144)</u>
Financing activities:		
Issuance of common shares	1	6
Issuance of long-term debt	-	150
Debt issuance costs on long-term debt	-	(6)
Retirement of long-term debt	(4)	(361)
Net inc./)dec.) in bank overdrafts	(18)	6
Net inc./)dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	148	360
Distribution to minority interest partners	(4)	(3)
Other	-	2
Net cash provided by financing activities	<u>123</u>	<u>154</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(3)</u>	<u>32</u>
Increase (Decrease) in cash and cash equivalents	(61)	1
Cash and cash equivalents, January 1	188	202
Cash and cash equivalents, September 30	<u>\$ 127</u>	<u>\$ 203</u>
Cash paid during the period for interest	\$ 83	\$ 111
Cash paid during the period for income taxes	50	45
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	-