

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

	Three Months Ended	
	September 30,	
	2010	2009
Operating activities:		
Net income (loss)	\$ 16	\$ (4)
Adjustments to reconcile net income (loss) to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	55	55
Stock-based compensation	2	1
Deferred income taxes	(6)	(7)
Loss on sale of assets	-	2
Changes in components of working capital-		
(Inc.)/dec. in receivables	(81)	(67)
(Inc.)/dec. in inventories	(52)	9
(Inc.)/dec. in prepayments and other current assets	(3)	(30)
Inc./(dec.) in payables	33	92
Inc./(dec.) in taxes accrued	12	1
Inc./(dec.) in interest accrued	7	8
Inc./(dec.) in other current liabilities	15	13
Changes in long-term assets	3	2
Changes in long-term liabilities	18	3
Other	(2)	(1)
Net cash provided by operating activities	<u>17</u>	<u>77</u>
Investing activities:		
Proceeds from sale of assets	2	1
Cash payments for plant, property & equipment	(33)	(20)
Cash payments for software-related intangibles	(3)	(1)
Investments and other	(1)	1
Net cash used by investing activities	<u>(35)</u>	<u>(19)</u>
Financing activities:		
Issuance of long-term debt	225	4
Debt issuance costs on long-term debt	(5)	-
Retirement of long-term debt	(246)	(7)
Net inc./(dec.) in bank overdrafts	10	6
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	63	(51)
Distribution to noncontrolling interest partners	(3)	-
Net cash provided (used) by financing activities	<u>44</u>	<u>(48)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>12</u>	<u>16</u>
Increase in cash and cash equivalents	38	26
Cash and cash equivalents, July 1	146	111
Cash and cash equivalents, September 30	<u>\$ 184</u>	<u>\$ 137</u>
Cash paid during the period for interest	\$ 28	\$ 26
Cash paid during the period for income taxes (net of refunds)	18	20
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 12	\$ 13