

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

	<b>Nine Months Ended</b>	
	<b>September 30,</b>	
	<b>2010</b>	<b>2009</b>
Operating activities:		
Net income (loss)	\$ 74	\$ (80)
Adjustments to reconcile net income (loss) to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	163	162
Stock-based compensation	7	5
Deferred income taxes	(4)	(10)
Loss on sale of assets	3	6
Changes in components of working capital-		
(Inc.)/dec. in receivables	(374) (a)	(124)
(Inc.)/dec. in inventories	(123)	76
(Inc.)/dec. in prepayments and other current assets	(1)	(35)
Inc./(dec.) in payables	265	56
Inc./(dec.) in taxes accrued	13	20
Inc./(dec.) in interest accrued	8	9
Inc./(dec.) in other current liabilities	34	8
Changes in long-term assets	4	8
Changes in long-term liabilities	(3)	4
Other	(2)	3
Net cash provided by operating activities	<u>64</u>	<u>108</u>
Investing activities:		
Proceeds from sale of assets	3	3
Cash payments for plant, property & equipment	(105)	(86)
Cash payments for software-related intangibles	(11)	(5)
Acquisition of business, net of cash acquired	-	1
Investments and other	1	1
Net cash used by investing activities	<u>(112)</u>	<u>(86)</u>
Financing activities:		
Issuance of long-term debt	380	6
Debt issuance costs on long-term debt	(14)	(8)
Retirement of long-term debt	(383)	(15)
Net inc./(dec.) in bank overdrafts	12	(18)
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	83	24
Distribution to noncontrolling interest partners	(14)	(10)
Net cash provided (used) by financing activities	<u>64</u>	<u>(21)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>1</u>	<u>10</u>
Increase in cash and cash equivalents	17	11
Cash and cash equivalents, January 1	167	126
Cash and cash equivalents, September 30	<u>\$ 184</u>	<u>\$ 137</u>
Cash paid during the period for interest	\$ 89	\$ 91
Cash paid during the period for income taxes (net of refunds)	42	32
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 12	\$ 13