

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

	Three Months Ended	
	September 30,	
	2011	2010
Operating activities:		
Net income	\$ 36	\$ 16
Adjustments to reconcile net income to net cash provided by operating activities -		
Goodwill impairment charge	11	-
Depreciation and amortization of other intangibles	51	55
Stock-based compensation	2	2
Deferred income taxes	2	(6)
Loss on sale of assets	2	-
Changes in components of working capital-		
(Inc.)/dec. in receivables	(24)	(81)
(Inc.)/dec. in inventories	(25)	(52)
(Inc.)/dec. in prepayments and other current assets	6	(3)
Inc./dec. in payables	25	33
Inc./dec. in accrued taxes	(7)	12
Inc./dec. in accrued interest	9	7
Inc./dec. in other current liabilities	(2)	15
Changes in long-term assets	1	3
Changes in long-term liabilities	(10)	18
Other	3	(2)
Net cash provided by operating activities	<u>80</u>	<u>17</u>
Investing activities:		
Proceeds from sale of assets	-	2
Cash payments for plant, property & equipment	(50)	(33)
Cash payments for software-related intangible assets	(4)	(3)
Investments and other	-	(1)
Net cash used by investing activities	<u>(54)</u>	<u>(35)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(5)	-
Issuance of long-term debt	1	225
Debt issuance costs on long-term debt	-	(5)
Retirement of long-term debt	-	(246)
Net inc./dec. in bank overdrafts	(5)	10
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt	20	63
Purchase of additional noncontrolling equity interest	(4)	-
Distribution to noncontrolling interest partners	(10)	(3)
Net cash provided (used) by financing activities	<u>(3)</u>	<u>44</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(21)</u>	<u>12</u>
Increase in cash and cash equivalents	2	38
Cash and cash equivalents, July 1	161	146
Cash and cash equivalents, September 30	<u>\$ 163</u>	<u>\$ 184</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 18	\$ 28
Cash paid during the period for income taxes (net of refunds)	25	18
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 23	\$ 12