

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

	Nine Months Ended	
	September 30,	
	2011	2010
Operating activities:		
Net income	\$ 145	\$ 74
Adjustments to reconcile net income to net cash provided by operating activities -		
Goodwill impairment charge	11	-
Depreciation and amortization of other intangibles	156	163
Stock-based compensation	6	7
Deferred income taxes	(3)	(4)
Loss on sale of assets	3	3
Changes in components of working capital-		
(Inc.)/dec. in receivables	(314)	(374)
(Inc.)/dec. in inventories	(85)	(123)
(Inc.)/dec. in prepayments and other current assets	(18)	(1)
Inc./dec. in payables	159	265
Inc./dec. in accrued taxes	(7)	13
Inc./dec. in accrued interest	9	8
Inc./dec. in other current liabilities	15	34
Changes in long-term assets	(2)	4
Changes in long-term liabilities	(31)	(3)
Other	-	(2)
Net cash provided by operating activities	<u>44</u>	<u>64</u>
Investing activities:		
Proceeds from sale of assets	4	3
Cash payments for plant, property & equipment	(145)	(105)
Cash payments for software-related intangible assets	(10)	(11)
Investments and other	-	1
Net cash used by investing activities	<u>(151)</u>	<u>(112)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(16)	-
Issuance of long-term debt	5	380
Debt issuance costs on long-term debt	(1)	(14)
Retirement of long-term debt	(23)	(383)
Net inc./dec. in bank overdrafts	3	12
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt	108	83
Capital contribution from noncontrolling interest partner	1	-
Purchase of additional noncontrolling equity interest	(4)	-
Distribution to noncontrolling interest partners	(20)	(14)
Net cash provided by financing activities	<u>53</u>	<u>64</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(16)</u>	<u>1</u>
Increase (Decrease) in cash and cash equivalents	(70)	17
Cash and cash equivalents, January 1	233	167
Cash and cash equivalents, September 30	<u>\$ 163</u>	<u>\$ 184</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 71	\$ 89
Cash paid during the period for income taxes (net of refunds)	58	42
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 23	\$ 12