

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

	Nine Months Ended	
	September 30,	
	2012	2011
Operating activities:		
Net income	\$ 263	\$ 145
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Goodwill impairment charge	-	11
Depreciation and amortization of other intangibles	148	156
Stock-based compensation	9	6
Deferred income taxes	(94)	(3)
Loss on sale of assets	3	3
Changes in components of working capital-		
(Inc.)/dec. in receivables	(157)	(314)
(Inc.)/dec. in inventories	(81)	(85)
(Inc.)/dec. in prepayments and other current assets	(40)	(18)
Inc./(dec.) in payables	36	159
Inc./(dec.) in accrued taxes	37	(7)
Inc./(dec.) in accrued interest	1	9
Inc./(dec.) in other current liabilities	15	15
Changes in long-term assets	9	(2)
Changes in long-term liabilities	(35)	(31)
Other	5	-
Net cash provided by operating activities	<u>119</u>	<u>44</u>
Investing activities:		
Proceeds from sale of assets	2	4
Cash payments for plant, property & equipment	(195)	(145)
Cash payments for software-related intangible assets	(10)	(10)
Net cash used by investing activities	<u>(203)</u>	<u>(151)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(18)	(16)
Issuance of long-term debt	250	5
Debt issuance costs on long-term debt	(13)	(1)
Retirement of long-term debt	(406)	(23)
Net inc./(dec.) in bank overdrafts	2	3
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt and short-term borrowings secured by accounts receivable	217	108
Net inc./(dec.) in short-term borrowings secured by accounts receivable	60	-
Capital contribution from noncontrolling interest partner	5	1
Purchase of additional noncontrolling equity interest	-	(4)
Distribution to noncontrolling interest partners	(27)	(20)
Net cash provided by financing activities	<u>70</u>	<u>53</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>7</u>	<u>(16)</u>
Decrease in cash and cash equivalents	(7)	(70)
Cash and cash equivalents, January 1	214	233
Cash and cash equivalents, September 30	<u>\$ 207</u>	<u>\$ 163</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest (net of interest capitalized)	\$ 75	\$ 71
Cash paid during the period for income taxes (net of refunds)	54	58
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 25	\$ 23