

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

	Twelve Months Ended	
	December 31,	
	2005	2004
Operating activities:		
Net income	\$ 58	\$ 15
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	177	177
Deferred income taxes	-	(58)
(Gain)/loss on sale of assets, net	3	-
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	(94)	(4)
(Inc.)/dec. in inventories	7	(22)
(Inc.)/dec. in prepayments and other current assets	5	(4)
Inc./(dec.) in payables	1	53
Inc./(dec.) in taxes accrued	13	2
Inc./(dec.) in interest accrued	4	(7)
Inc./(dec.) in other current liabilities	(16)	27
Other	(38)	21
Net cash provided by operating activities	<u>120</u>	<u>200</u>
Investing activities:		
Net proceeds from sale of assets	4	15
Expenditures for plant, property & equipment	(144)	(130)
Acquisition of business	(14)	-
Investments and other	1	(1)
Net cash used by investing activities	<u>(153)</u>	<u>(116)</u>
Financing activities:		
Issuance of common shares	7	10
Issuance of long-term debt	1	500
Debt issuance costs on long-term debt	-	(13)
Retirement of long-term debt	(45)	(508)
Net inc./(dec.) in short-term debt excluding current maturities on long-term debt	1	(1)
Net cash used by financing activities	<u>(36)</u>	<u>(12)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(4)</u>	<u>(3)</u>
Inc./(dec.) in cash and cash equivalents	(73)	69
Cash and cash equivalents, January 1	214	145
Cash and cash equivalents, December 31	<u>\$ 141</u>	<u>\$ 214</u>
Cash paid during the period for interest	\$ 126	\$ 185
Cash paid during the period for income taxes	\$ 23	\$ 18
Non-cash Investing and Financing Activities		
Retirement of obligation and exchange of property	(2)	-