

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

	Three Months Ended	
	December 31,	
	<u>2006</u>	<u>2005</u>
Operating activities:		
Net income	\$ 14	\$ 8
Adjustments to reconcile net income to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	48	43
Stock option expense	2	-
Deferred income taxes	(52)	(3)
Loss on sale of assets, net	1	1
Changes in components of working capital (net of acquisition)-		
(Inc.)/dec. in receivables	56	115
(Inc.)/dec. in inventories	(9)	29
(Inc.)/dec. in prepayments and other current assets	20	28
Inc./dec. in payables	36	(51)
Inc./dec. in taxes accrued	23	2
Inc./dec. in interest accrued	6	6
Inc./dec. in other current liabilities	(6)	(21)
Other	(7)	3
Net cash provided by operating activities	<u>132</u>	<u>160</u>
Investing activities:		
Net proceeds from sale of assets	11	-
Expenditures for plant, property & equipment	(40)	(44)
Acquisition of business	-	(3)
Expenditures for software-related intangibles	(4)	(2)
Investments and other	2	-
Net cash used by investing activities	<u>(31)</u>	<u>(49)</u>
Financing activities:		
Issuance of common shares	4	1
Issuance of long-term debt	-	-
Retirement of long-term debt	(1)	(2)
Net inc. in short-term debt excluding current maturities on long-term debt	(26)	(55)
Other	(2)	(1)
Net cash used by financing activities	<u>(25)</u>	<u>(57)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>10</u>	<u>(2)</u>
Increase in cash and cash equivalents	86	52
Cash and cash equivalents, October 1	116	89
Cash and cash equivalents, December 31	<u>\$ 202</u>	<u>\$ 141</u>
Cash paid during the period for interest	\$ 34	\$ 32
Cash paid during the period for income taxes	8	7
Non-cash Investing and Financing Activities		
Retirement of obligation and exchange of property	-	(2)