

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

	Three Months Ended	
	December 31,	
	2009	2008
Operating activities:		
Net income (loss)	\$ 26	\$ (296)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	59	54
Goodwill impairment charge	-	114
Stock-based compensation	2	3
Deferred income taxes	(14)	120
Loss on sale of assets	3	3
Changes in components of working capital-		
(Inc.)/dec. in receivables	116	240
(Inc.)/dec. in inventories	25	70
(Inc.)/dec. in prepayments and other current assets	(20)	43
Inc./(dec.) in payables	(58)	(222)
Inc./(dec.) in taxes accrued	(10)	(4)
Inc./(dec.) in interest accrued	(10)	(8)
Inc./(dec.) in other current liabilities	12	(4)
Changes in long-term assets	2	10
Changes in long-term liabilities	(2)	(5)
Other	2	8
Net cash provided by operating activities	<u>133</u>	<u>126</u>
Investing activities:		
Proceeds from sale of assets	2	1
Cash payments for plant, property & equipment	(34)	(41)
Cash payments for software-related intangibles	(1)	(6)
Net cash used by investing activities	<u>(33)</u>	<u>(46)</u>
Financing activities:		
Issuance of common shares	188	1
Issuance of long-term debt	-	1
Debt issuance costs on long-term debt	-	(2)
Retirement of long-term debt	(7)	(2)
Net inc./(dec.) in bank overdrafts	(5)	17
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	(242)	(71)
Distribution to noncontrolling interest partners	-	(9)
Net cash used by financing activities	<u>(66)</u>	<u>(65)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(4)</u>	<u>(16)</u>
Increase (Decrease) in cash and cash equivalents	30	(1)
Cash and cash equivalents, October 1	<u>137</u>	<u>127</u>
Cash and cash equivalents, December 31	<u>\$ 167</u>	<u>\$ 126</u>
Cash paid during the period for interest	\$ 40	\$ 34
Cash paid during the period for income taxes (net of refunds)	6	12
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 26	\$ 28