

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

	Three Months Ended	
	December 31,	
	2010	2009
Operating activities:		
Net income (loss)	\$ (11)	\$ 26
Adjustments to reconcile net income (loss) to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	53	59
Stock-based compensation	2	2
Deferred income taxes	8	(14)
Loss on sale of assets	-	3
Changes in components of working capital-		
(Inc.)/dec. in receivables	143	116
(Inc.)/dec. in inventories	1	25
(Inc.)/dec. in prepayments and other current assets	21	(20)
Inc./(dec.) in payables	(27)	(58)
Inc./(dec.) in taxes accrued	(1)	(10)
Inc./(dec.) in interest accrued	(16)	(10)
Inc./(dec.) in other current liabilities	(14)	12
Changes in long-term assets	8	2
Changes in long-term liabilities	9	(2)
Other	4	2
Net cash provided by operating activities	<u>180</u>	<u>133</u>
Investing activities:		
Proceeds from sale of assets	-	2
Cash payments for plant, property & equipment	(46)	(34)
Cash payments for software-related intangibles	(1)	(1)
Investments and other	2	-
Net cash used by investing activities	<u>(45)</u>	<u>(33)</u>
Financing activities:		
Issuance of common shares	-	188
Issuance of long-term debt	500	-
Debt issuance costs on long-term debt	(10)	-
Retirement of long-term debt	(481)	(7)
Net inc./(dec.) in bank overdrafts	(10)	(5)
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	(93)	(242)
Net cash used by financing activities	<u>(94)</u>	<u>(66)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>8</u>	<u>(4)</u>
Increase in cash and cash equivalents	49	30
Cash and cash equivalents, October 1	184	137
Cash and cash equivalents, December 31	<u>\$ 233</u>	<u>\$ 167</u>
Cash paid during the period for interest	\$ 60	\$ 40
Cash paid during the period for income taxes (net of refunds)	11	6
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 29	\$ 26