

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

	Twelve Months Ended	
	December 31,	
	2011	2010
Operating activities:		
Net income	\$ 183	\$ 63
Adjustments to reconcile net income to net cash provided by operating activities -		
Goodwill impairment charge	11	-
Depreciation and amortization of other intangibles	207	216
Stock-based compensation	8	9
Deferred income taxes	(5)	4
Loss on sale of assets	4	3
Changes in components of working capital-		
(Inc.)/dec. in receivables	(183)	(231)
(Inc.)/dec. in inventories	(64)	(122)
(Inc.)/dec. in prepayments and other current assets	(13)	20
Inc./dec. in payables	144	238
Inc./dec. in accrued taxes	(7)	12
Inc./dec. in accrued interest	-	(8)
Inc./dec. in other current liabilities	(7)	20
Changes in long-term assets	1	12
Changes in long-term liabilities	(41)	6
Other	7	2
Net cash provided by operating activities	<u>245</u>	<u>244</u>
Investing activities:		
Proceeds from sale of assets	4	3
Cash payments for plant, property & equipment	(213)	(151)
Cash payments for software-related intangible assets	(15)	(12)
Investments and other	-	3
Net cash used by investing activities	<u>(224)</u>	<u>(157)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(16)	-
Issuance of long-term debt	5	880
Debt issuance costs on long-term debt	(1)	(24)
Retirement of long-term debt	(24)	(864)
Net inc./dec. in bank overdrafts	3	2
Net inc./dec. in revolver borrowings and short-term debt excluding current maturities on long-term debt	30	(10)
Capital contribution from noncontrolling interest partner	1	-
Purchase of additional noncontrolling equity interest	(4)	-
Distribution to noncontrolling interest partners	(20)	(14)
Net cash used by financing activities	<u>(26)</u>	<u>(30)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(14)</u>	<u>9</u>
Increase (Decrease) in cash and cash equivalents	(19)	66
Cash and cash equivalents, January 1	233	167
Cash and cash equivalents, December 31	<u>\$ 214</u>	<u>\$ 233</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 106	\$ 149
Cash paid during the period for income taxes (net of refunds)	85	53
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 35	\$ 29