

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

	Three Months Ended	
	December 31,	
	2011	2010
Operating activities:		
Net income (loss)	\$ 38	\$ (11)
Adjustments to reconcile net income (loss) to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	51	53
Stock-based compensation	2	2
Deferred income taxes	(2)	8
Loss on sale of assets	1	-
Changes in components of working capital-		
(Inc.)/dec. in receivables	131	143
(Inc.)/dec. in inventories	21	1
(Inc.)/dec. in prepayments and other current assets	5	21
Inc./(dec.) in payables	(15)	(27)
Inc./(dec.) in accrued taxes	-	(1)
Inc./(dec.) in accrued interest	(9)	(16)
Inc./(dec.) in other current liabilities	(22)	(14)
Changes in long-term assets	3	8
Changes in long-term liabilities	(10)	9
Other	7	4
Net cash provided by operating activities	<u>201</u>	<u>180</u>
Investing activities:		
Cash payments for plant, property & equipment	(68)	(46)
Cash payments for software-related intangible assets	(5)	(1)
Investments and other	-	2
Net cash used by investing activities	<u>(73)</u>	<u>(45)</u>
Financing activities:		
Issuance of long-term debt	-	500
Debt issuance costs on long-term debt	-	(10)
Retirement of long-term debt	(1)	(481)
Net inc./(dec.) in bank overdrafts	-	(10)
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	(78)	(93)
Net cash used by financing activities	<u>(79)</u>	<u>(94)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>2</u>	<u>8</u>
Increase in cash and cash equivalents	51	49
Cash and cash equivalents, October 1	163	184
Cash and cash equivalents, December 31	<u>\$ 214</u>	<u>\$ 233</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest	\$ 35	\$ 60
Cash paid during the period for income taxes (net of refunds)	27	11
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 35	\$ 29