

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

	Twelve Months Ended	
	December 31,	
	2012	2011
Operating activities:		
Net income	304	183
Adjustments to reconcile net income to net cash provided by operating activities -		
Goodwill impairment charge	-	11
Depreciation and amortization of other intangibles	205	207
Stock-based compensation	11	8
Deferred income taxes	(65)	(5)
Loss on sale of assets	4	4
Changes in components of working capital-		
(Inc.)/dec. in receivables	(9)	(183)
(Inc.)/dec. in inventories	(72)	(64)
(Inc.)/dec. in prepayments and other current assets	(21)	(13)
Inc./(dec.) in payables	12	144
Inc./(dec.) in accrued taxes	7	(7)
Inc./(dec.) in accrued interest	(3)	-
Inc./(dec.) in other current liabilities	10	(7)
Changes in long-term assets	14	1
Changes in long-term liabilities	(32)	(41)
Other	5	7
Net cash provided by operating activities	<u>370</u>	<u>245</u>
Investing activities:		
Proceeds from sale of assets	3	4
Cash payments for plant, property & equipment	(256)	(213)
Cash payments for software-related intangible assets	(13)	(15)
Cash payment for net assets purchased	(7)	-
Net cash used by investing activities	<u>(273)</u>	<u>(224)</u>
Financing activities:		
Purchase of common stock under the share repurchase program	(18)	(16)
Issuance of long-term debt	250	5
Debt issuance costs on long-term debt	(13)	(1)
Retirement of long-term debt	(411)	(24)
Net inc./(dec.) in bank overdrafts	5	3
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt and short-term borrowings secured by accounts receivable	67	30
Net inc./(dec.) in short-term debt secured by accounts receivable	50	-
Capital contribution from noncontrolling interest partner	5	1
Purchase of additional noncontrolling equity interest	-	(4)
Distribution to noncontrolling interest partners	(29)	(20)
Net cash used by financing activities	<u>(94)</u>	<u>(26)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>6</u>	<u>(14)</u>
Increase (Decrease) in cash and cash equivalents	9	(19)
Cash and cash equivalents, January 1	214	233
Cash and cash equivalents, December 31	<u>\$ 223</u>	<u>\$ 214</u>
Supplemental Cash Flow Information		
Cash paid during the period for interest (net of interest capitalized)	\$ 100	\$ 106
Cash paid during the period for income taxes (net of refunds)	80	85
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 42	\$ 35