

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

	<b>Three Months Ended</b>	
	<b>December 31,</b>	
	<b>2012</b>	<b>2011</b>
Operating activities:		
Net income	\$ 41	\$ 38
Adjustments to reconcile net income to net cash provided by operating activities -		
Depreciation and amortization of other intangibles	57	51
Stock-based compensation	2	2
Deferred income taxes	29	(2)
Loss on sale of assets	1	1
Changes in components of working capital-		
(Inc.)/dec. in receivables	148	131
(Inc.)/dec. in inventories	9	21
(Inc.)/dec. in prepayments and other current assets	19	5
Inc./dec. in payables	(24)	(15)
Inc./dec. in accrued taxes	(30)	-
Inc./dec. in accrued interest	(4)	(9)
Inc./dec. in other current liabilities	(5)	(22)
Changes in long-term assets	(2)	3
Changes in long-term liabilities	3	(10)
Other	-	7
Net cash provided by operating activities	<u>244</u>	<u>201</u>
Investing activities:		
Proceeds from sale of assets	1	-
Cash payments for plant, property & equipment	(61)	(68)
Cash payments for software-related intangible assets	(3)	(5)
Net cash used by investing activities	<u>(63)</u>	<u>(73)</u>
Financing activities:		
Retirement of long-term debt	(5)	(1)
Net inc./dec. in bank overdrafts	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	(150)	(78)
Net inc./dec. in short-term debt secured by accounts receivable	(10)	-
Distribution to noncontrolling interest partners	(2)	-
Net cash used by financing activities	<u>(164)</u>	<u>(79)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(1)</u>	<u>2</u>
Increase in cash and cash equivalents	16	51
Cash and cash equivalents, October 1	207	163
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)	\$ 25	\$ 35
Cash paid during the period for income taxes (net of refunds)	26	27
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 42	\$ 35