

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

	Twelve Months Ended	
	December 31,	
	2008	2007
Operating activities:		
Net loss	\$ (415)	\$ (5)
Adjustments to reconcile net loss to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	222	205
Goodwill impairment charge	114	-
Stock-based compensation	10	9
Deferred income taxes	204	25
Loss on sale of assets	10	8
Changes in components of working capital-		
(Inc.)/dec. in receivables	126	(116)
(Inc.)/dec. in inventories	19	(66)
(Inc.)/dec. in prepayments and other current assets	1	15
Inc./(dec.) in payables	(181)	100
Inc./(dec.) in taxes accrued	4	(25)
Inc./(dec.) in interest accrued	-	(10)
Inc./(dec.) in other current liabilities	-	19
Changes in long-term assets	16	6
Changes in long-term liabilities	19	(13)
Other	11	6
Net cash provided by operating activities	<u>160</u>	<u>158</u>
Investing activities:		
Proceeds from sale of assets	3	10
Cash payments for plant, property & equipment	(233)	(177)
Cash payments for software-related intangibles	(15)	(19)
Cash payment for net assets purchased	-	(16)
Acquisition of business, net of cash acquired	(16)	-
Net cash used by investing activities	<u>(261)</u>	<u>(202)</u>
Financing activities:		
Issuance of common shares	2	8
Issuance of long-term debt	1	400
Debt issuance costs on long-term debt	(2)	(11)
Retirement of long-term debt	(6)	(591)
Net inc./(dec.) in bank overdrafts	(1)	7
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	77	183
Distribution to minority interest partners	(13)	(6)
Net cash provided (used) by financing activities	<u>58</u>	<u>(10)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(19)</u>	<u>40</u>
Decrease in cash and cash equivalents	(62)	(14)
Cash and cash equivalents, January 1	188	202
Cash and cash equivalents, December 31	<u>\$ 126</u>	<u>\$ 188</u>
Cash paid during the period for interest	\$ 117	\$ 177
Cash paid during the period for income taxes (net of refunds)	62	60
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 28	\$ 40
Assumption of debt from business acquisition	10	-