

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

	Three Months Ended	
	December 31,	
	2008	2007
Operating activities:		
Net loss	\$ (298)	\$ (72)
Adjustments to reconcile net loss to net cash provided (used) by operating activities -		
Depreciation and amortization of other intangibles	54	55
Goodwill impairment charge	114	-
Stock-based compensation	3	2
Deferred income taxes	120	48
Loss on sale of assets	3	-
Changes in components of working capital-		
(Inc.)/dec. in receivables	240	166
(Inc.)/dec. in inventories	70	47
(Inc.)/dec. in prepayments and other current assets	43	50
Inc./(dec.) in payables	(222)	(71)
Inc./(dec.) in taxes accrued	(4)	(15)
Inc./(dec.) in interest accrued	(8)	(6)
Inc./(dec.) in other current liabilities	(4)	(6)
Changes in long-term assets	8	-
Changes in long-term liabilities	(6)	(1)
Other	13	2
Net cash provided by operating activities	<u>126</u>	<u>199</u>
Investing activities:		
Proceeds from sale of assets	1	8
Cash payments for plant, property & equipment	(41)	(61)
Cash payments for software-related intangibles	(6)	(5)
Net cash used by investing activities	<u>(46)</u>	<u>(58)</u>
Financing activities:		
Issuance of common shares	1	2
Issuance of long-term debt	1	250
Debt issuance costs on long-term debt	(2)	(5)
Retirement of long-term debt	(2)	(230)
Net inc./(dec.) in bank overdrafts	17	1
Net inc./(dec.) in revolver borrowings and short-term debt excluding current maturities on long-term debt	(71)	(177)
Distribution to minority interest partners	(9)	(3)
Other	-	(2)
Net cash used by financing activities	<u>(65)</u>	<u>(164)</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(16)</u>	<u>8</u>
Decrease in cash and cash equivalents	(1)	(15)
Cash and cash equivalents, October 1	127	203
Cash and cash equivalents, December 31	<u>\$ 126</u>	<u>\$ 188</u>
Cash paid during the period for interest	\$ 34	\$ 66
Cash paid during the period for income taxes (net of refunds)	12	15
Non-cash Investing and Financing Activities		
Period ended balance of payables for plant, property, and equipment	\$ 28	\$ 40