TENNECO INC.
RECONCILIATION OF NON-GAAP MEASURES
Debt net of cash / Adjusted EBITDA - LTM

	Quarter Ended March 31	
	2007	2006
Total debt	$ 1,453	$ 1,384
Cash and cash equivalents	136	96
Debt net of cash balances [1]	1,317	1,288
Adjusted LTM EBITDA	419	413
Ratio of net debt to adjusted LTM EBITDA [2]	3.1x	3.1x

	Q2 06	Q3 06	Q4 06	Q1 07	Q1 07 LTM
Net income	24	6	14	3	47
Minority interest	1	2	2	2	7
Income tax expense	15	3	(15)	3	6
Interest expense (net of interest capitalized)	33	34	35	42	144
EBIT, Income before interest expense, income taxes and minority interest (GAAP measure)	73	45	36	50	204
Depreciation and amortization of other intangibles	47	45	48	48	188
Total EBITDA[3]	120	90	84	98	392
Restructuring and restructuring related expenses	8	7	6	2	23
New Aftermarket customer changeover costs [4]	6	-	-	-	6
Pension Curtailment [5]	-	-	(7)		(7)
Reserve for receivables from former affiliate	-	-	3		3
Stock Option Adjustment [6]	-	-	2		2
Total Adjusted EBITDA [7]	134	97	88	100	419

	Q2 05	Q3 05	Q4 05	Q1 06	Q1 06 LTM
Net income	33	10	8	7	58
Minority interest	-	-	1	1	2
Income tax expense	18	7	(4)	-	21
Interest expense (net of interest capitalized)	32	33	33	34	132
EBIT, Income before interest expense, income taxes and minority interest (GAAP measure)	83	50	38	42	213
Depreciation and amortization of other intangibles	44	44	43	44	175
Total EBITDA[3]	127	94	81	86	388
Restructuring and restructuring related expenses	2	2	5	6	15
New Aftermarket customer changeover costs [4]	-	-	10	-	10
Total adjusted EBITDA[7]	129	96	96	92	413

[1]Tenneco presents debt net of cash balances because management believes it is a useful measure of Tenneco's credit position and progress toward reducing leverage. The calculation is limited in that the company may not always be able to use cash to repay debt on a dollar-for- dollar basis.

[2]Tenneco presents the above reconciliation of the ratio debt net of cash to the last twelve months (LTM) of adjusted EBITDA to show trends that investors may find useful in understanding the company's ability to service its debt. For purposes of this calculation, adjusted LTM EBITDA is used as an indicator of the company's performance over the most recent twelve months and debt net of cash is presented as an indicator of our credit position and progress toward reducing our financial leverage. LTM adjusted EBITDA is used to reflect annual values and remove seasonal fluctuations. This reconciliation is provided as supplemental information and not intended to replace the company's existing covenant ratios or any other financial measures that investors may find useful in describing the company's financial position. See notes (1), (3) and (4) for a description of the limitations of using debt net of cash, EBITDA and adjusted EBITDA.

[3]EBITDA represents income before interest expense, income taxes, minority interest and depreciation and amortization. EBITDA is not a calculation based upon generally accepted accounting principles. The amounts included in the EBITDA calculation, however, are derived from amounts included in the historical statements of income data. In addition, EBITDA should not be considered as an alternative to net income or operating income as an indicator of the company's operating performance, or as an alternative to operating cash flows as a measure of liquidity. Tenneco Inc. has presented EBITDA because it regularly reviews EBITDA as a measure of the company's performance. In addition, Tenneco believes its debt holders utilize and analyze our EBITDA for similar purposes. Tenneco also believes EBITDA assists investors in comparing a company's performance on a consistent basis without regard to depreciation and amortization, which can vary significantly depending upon many factors. However, the EBITDA measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

[4] Represents costs associated with changing new aftermarket customers from their prior suppliers to an inventory of our products. Although our aftermarket business regularly incurs changeover costs, we specifically identify in the table above those changeover costs that, based on the size or number of customers involved, we believe are of an unusual nature for the quarter in which they were incurred.

[5] In August 2006, we announced that we were freezing future accruals under our U.S. defined benefit pension plans for substantially all our U.S. salaried and non-union hourly employees effective December 31, 2006. In lieu of those benefits, we are offering additional benefits under defined contribution plan.

[6] The adjustment is related to our past administration of stock option grants and represents an adjustment for several prior years.

[7]Adjusted EBITDA is presented in order to reflect the results in a manner that allows a better understanding of operational activities separate from the financial impact of decisions made for the long term benefit of the company and other items impacting comparability between the periods. Adjustments similar to the ones reflected above have been recorded in earlier periods, and similar types of adjustments can reasonably be expected to be recorded in future periods. The company believes investors find the non-GAAP information helpful in understanding the ongoing performance of operations separate from items that may have a disproportionate positive or negative impact on the company's financial results in any particular period.