

TENNECO INC.  
RECONCILIATION OF NON-GAAP MEASURES  
Debt net of cash / Adjusted EBITDA including noncontrolling interests - 3 months  
Unaudited

	<u>Three Months Ended March 31.</u>	
	<u>2010</u>	<u>2009</u>
Total debt	\$ 1,339	\$ 1,587
Cash and cash equivalents	193	113
Debt net of cash balances <sup>(1)</sup>	<u>1,146</u>	<u>1,474</u>
A/R Secured Borrowings (pro forma for accounting change) <sup>(1)</sup>	-	62
Debt net of cash balances (pro forma for accounting change) <sup>(1)</sup>	<u>1,146</u>	<u>1,536</u>

	<u>Three Months Ended March 31.</u>	
	<u>2010</u>	<u>2009</u>
Debt net of cash balances <sup>(1)</sup>	\$ 1,146	\$ 1,474
Adjusted EBITDA including noncontrolling interests <sup>(2) (3)</sup>	412	323
Ratio of debt net of cash balances to adjusted EBITDA including noncontrolling interests <sup>(4)</sup>	2.8x	4.6x

	<u>Q2 09</u>	<u>Q3 09</u>	<u>Q4 09</u>	<u>Q1 10</u>	<u>Q1 10 LTM</u>
Net income (loss) attributable to Tenneco Inc.	(33)	(8)	17	7	(17)
Net income attributable to noncontrolling interests	4	4	9	5	22
Income tax expense (benefit)	11	4	(5)	15	25
Interest expense (net of interest capitalized)	35	35	32	32	134
EBIT, Income before interest expense, income taxes and noncontrolling ownership interests (GAAP measure)	17	35	53	59	164
Depreciation and amortization of other intangibles	55	55	59	55	224
Total EBITDA including noncontrolling interests <sup>(2)</sup>	72	90	112	114	388
Restructuring and related expenses	2	11	2	4	19
Environmental reserve <sup>(5)</sup>	5	-	-	-	5
Total Adjusted EBITDA including noncontrolling interest <sup>(3)</sup>	<u>79</u>	<u>101</u>	<u>114</u>	<u>118</u>	<u>412</u>

	<u>Q2 08</u>	<u>Q3 08</u>	<u>Q4 08</u>	<u>Q1 09</u>	<u>Q1 09 LTM</u>
Net income (loss) attributable to Tenneco Inc.	13	(136)	(298)	(49)	(470)
Net income attributable to noncontrolling interests	2	3	2	2	9
Income tax expense	27	131	126	3	287
Interest expense (net of interest capitalized)	33	30	25	31	119
EBIT, Income before interest expense, income taxes and noncontrolling ownership interests (GAAP measure)	75	28	(145)	(13)	(55)
Depreciation and amortization of other intangibles	57	56	54	52	219
Total EBITDA including noncontrolling interests <sup>(2)</sup>	132	84	(91)	39	164
Restructuring and related expenses	6	6	24	2	38
New aftermarket customer changeover costs <sup>(6)</sup>	7	-	-	-	7
Goodwill impairment charge	-	-	114	-	114
Total Adjusted EBITDA including noncontrolling interest <sup>(3)</sup>	<u>145</u>	<u>90</u>	<u>47</u>	<u>41</u>	<u>323</u>

<sup>(1)</sup> 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 comparison between periods is impacted by a change in accounting that became effective for the first quarter 2010, requiring Tenneco to account for its North America accounts receivable securitization programs as secured borrowings rather than as sales of accounts receivable. Tenneco presents, for 2009, what accounts receivable secured borrowings and debt net of cash balances would have been on a pro forma basis had the accounting change been in effect during 2009. Tenneco believes this presentation helps facilitate comparison between periods. The calculations are limited in that the company may not always be able to use cash to repay debt on a dollar-for-dollar basis.

<sup>(2)</sup> EBITDA including noncontrolling interests represents income before interest expense, income taxes, noncontrolling interests and depreciation and amortization. EBITDA including noncontrolling interests is not a calculation based upon generally accepted accounting principles. The amounts included in the EBITDA including noncontrolling interests calculation, however, are derived from amounts included in the historical statements of income data. In addition, EBITDA including noncontrolling interests should not be considered as an alternative to net income (loss) attributable to Tenneco Inc. 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 has presented EBITDA including noncontrolling interests because it regularly reviews EBITDA including noncontrolling interests as a measure of the company's performance. In addition, Tenneco believes its investors utilize and analyze our EBITDA including noncontrolling interests for similar purposes. Tenneco also believes EBITDA including noncontrolling interests 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 including noncontrolling interests measure presented may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

<sup>(3)</sup> Adjusted EBITDA including noncontrolling interests 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. Similar adjustments to EBITDA including noncontrolling interests 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.

<sup>(4)</sup> Tenneco presents the above reconciliation of the ratio of debt net of cash to annual adjusted EBITDA including noncontrolling interests to show trends that investors may find useful in understanding the company's ability to service its debt. For purposes of this calculation, annual adjusted EBITDA including noncontrolling interests is used as an indicator of the company's performance and debt net of cash is presented as an indicator of our credit position and progress toward reducing our financial leverage. 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), (2) and (3) for a description of the limitations of using debt net of cash, EBITDA including noncontrolling interests and adjusted EBITDA including noncontrolling interests.

<sup>(5)</sup> Represents a charge related to environmental liabilities of a company Tenneco acquired in 1996, at locations never operated by Tenneco, and for which that acquired company had been indemnified by Mark IV Industries, which declared bankruptcy in the second quarter 2009.

<sup>(6)</sup> 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.