

RECONCILIATION OF GAAP ⁽¹⁾ REVENUE AND EARNINGS TO NON-GAAP REVENUE AND EARNINGS MEASURES ⁽²⁾

Unaudited

(Millions except per share amounts)

	Q2 2011				Q2 2010			
	North America	Europe, SA & India	Asia Pacific	Total	North America	Europe, SA & India	Asia Pacific	Total
Net Sales and operating revenues	\$ 874	\$ 817	\$ 197	\$ 1,888	\$ 738	\$ 606	\$ 158	\$ 1,502
Less: Substrate sales	246	162	27	435	181	93	30	304
Value-add revenues	628	655	170	1,453	557	513	128	1,198
EBIT	62	37	14	113	\$ 50	\$ 30	\$ 13	\$ 93
EBIT as a % of Value-add revenue	9.9%	5.6%	8.2%	7.8%	9.0%	5.8%	10.2%	7.8%
	YTD 2011				YTD 2010			
	North America	Europe, SA & India	Asia Pacific	Total	North America	Europe, SA & India	Asia Pacific	Total
Net Sales and operating revenues	\$ 1,725	1,558	\$ 365	\$ 3,648	\$ 1,343	1,167	\$ 308	\$ 2,818
Less: Substrate sales	495	312	51	858	316	192	57	565
Value-add revenues	1,230	1,246	314	2,790	1,027	975	251	2,253
EBIT	124	61	22	207	\$ 86	\$ 42	\$ 24	\$ 152
EBIT as a % of Value-add revenue	10.1%	4.9%	7.0%	7.4%	8.4%	4.3%	9.6%	6.7%

⁽¹⁾ Generally Accepted Accounting Principles

⁽²⁾ Tenneco presents the above reconciliation of revenues in order to reflect value-add revenues. Substrate sales include precious metals pricing, which may be volatile. Substrate sales occur when, at the direction of its OE customers, Tenneco purchases catalytic converters or components thereof from suppliers, uses them in its manufacturing processes and sells them as part of the completed system. While Tenneco original equipment customers assume the risk of this volatility, it impacts reported revenue. Excluding substrate sales removes this impact. Further, presenting EBIT as a percent of value-add revenue assists investors in evaluating our company's operational performance without the impact of such substrate sales.