TENNECO INC.
RECONCILIATION OF GAAP[1] TO NON-GAAP EARNINGS MEASURES[2]
Unaudited

	YTD 2006				YTD 2005			
	EBITDA [3]	EBIT	Net Income	Per Share	EBITDA [3]	EBIT	Net Income	Per Share
Earnings Measures	$ 296	$ 160	$ 37	$ 0.79	$ 311	$ 177	$ 50	$ 1.11
Adjustments (reflect non-GAAP measures):								
Restructuring and restructuring related expenses	21	21	13	0.31	7	7	5	0.11
New Aftermarket customer changeover costs [4]	6	6	4	0.09	-	-	-	-
Stock based compensation accounting change [5]	1	1	1	0.02	-	-	-	-
Tax adjustments	-	-	(3)	(0.06)	-	-	1	0.02
Non-GAAP earnings measures	$ 324	$ 188	$ 52	$ 1.15	$ 318	$ 184	$ 56	$ 1.24

	YTD 2006			
	North America	Europe & SA	Asia Pacific	Total
EBIT	$ 87	$ 66	$ 7	$ 160
Restructuring and restructuring related expenses	10	6	5	21
New Aftermarket customer changeover costs [4]	6	-	-	6
Stock based compensation accounting change [5]	1	-	-	1
Adjusted EBIT	$ 104	$ 72	$ 12	$ 188

	YTD 2005			
	North America	Europe & SA	Asia Pacific	Total
EBIT	$ 126	41	$ 10	$ 177
Restructuring and restructuring related expenses	2	5	-	7
Adjusted EBIT	$ 128	$ 46	$ 10	$ 184

(1) Generally Accepted Accounting Principles

(2) Tenneco presents the above reconciliation of GAAP to non-GAAP earnings measures primarily to reflect the results for the first nine months of 2006 and 2005 in a manner that allows a better understanding of the results of operational activities separate from the financial impact of decisions made for the long-term benefit of the company. 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. Using only the non-GAAP earnings measures to analyze earnings would have material limitations because its calculation is based on the subjective determinations of management regarding the nature and classification of events and circumstances that investors may find material. Management compensates for these limitations by utilizing both GAAP and non-GAAP earnings measures reflected above to understand and analyze the results of the business.
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.

(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 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 the changeover costs that, based on the size or number of customers involved, we believe are of an unusual nature for the time period in which they were incurred.

(5) 2006 includes adjustments to eliminate the additional stock based compensation expense and the impact on the diluted shares calculation associated with FAS 123R, which the company adopted in 2006. The company plans to continue making this adjustment for the remainder of 2006 to enhance investors' understanding of the comparability between 2006 and 2005 results. See also Attachment I, Statements of Income footnote (b for the nine months ended September 30).