

TENNECO INC.  
 RECONCILIATION OF GAAP<sup>(1)</sup> TO NON-GAAP EARNINGS MEASURES<sup>(2)</sup>  
 Adjusted SGA&E as a Percent of Net Sales  
Unaudited

	<u>Q3 2007</u> <u>SGA&amp;E</u>	<u>Q3 2006<sup>(4)</sup></u> <u>SGA&amp;E</u>
Net Sales	\$ 1,556	\$ 1,121
SGA&E Expense	\$ 131	\$ 105
Adjustments (reflects non-GAAP measures):		
Restructuring and restructuring related expenses		(1)
New aftermarket customer changeover costs <sup>(3)</sup>	(5)	
Non-GAAP SGA&E Expense	<u>\$ 126</u>	<u>\$ 104</u>
Adjusted SGA&E as a percentage of Net Sales	8.1%	9.3%

<sup>(1)</sup> Generally Accepted Accounting Principles

<sup>(2)</sup> Tenneco presents the above reconciliation of GAAP to non-GAAP earnings measures primarily to reflect the results for the third quarters of 2007 and 2006 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.

<sup>(3)</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 the 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.

<sup>(4)</sup> As disclosed in Tenneco's Form 10-K/A filed August 14, 2007, Tenneco restated its financial results for the years ended December 31, 2004, 2005 and 2006 and for the quarters ended March 31, 2006 and 2007, June 30, 2006 and September 30, 2006. The amounts presented in this table reflect the results of the restatement.