Adding value mile by mile. Our roadmap.

Pioneering global ideas for cleaner, quieter, and safer transportation.

Tenneco Inc. is one of the world’s largest designers, manufacturers and marketers of emission control and ride control products and systems for the automotive original equipment and aftermarket. The company became an independent corporation in 1999, allowing singular focus on strategies to maximize global results.

Tenneco markets its products primarily under the Motorman®, Walker®, Gillett™, and Clevite® Elastomers brand names. Leading manufacturers worldwide use our products in their vehicles, attracted principally by our advanced technologies. We are one of the top suppliers to the automotive aftermarket, offering exceptionally strong brand recognition among consumers and trade personnel.

Please see the Safe Harbor Statement, risk factors and the description of our original equipment (OE) revenue forecast under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the accompanying Form 10-K, which is incorporated herein by reference.

Corporate Headquarters
Tenneco Inc.
500 North Field Drive
Lake Forest, Illinois 60045
847.482.5000
www.tenneco.com

NYSE: TEN

Stockholder Inquiries
For stockholder inquiries, such as exchange of certificates, issuance of certificates, lost certificates, change of address, change in registered ownership or share balance, write, call or e-mail the company’s transfer agent:
Wells Fargo Bank, N.A.
Shareowner Services
161 North Concord Exchange South
St. Paul, MN 55077
866.839.3259 (Toll Free)
651.450.4064
www.wellsfargo.com/shareownerservices
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Our Vision
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Tenneco Inc. 2007 Annual Report

Corporate Profile
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Gatefield
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Investor Information
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EBIT* before restructuring charges was $1,119,000,000, or $4.682 per share (diluted). This was up 44% from the 2006 EBIT of $370,000,000, or $1.654 per share (diluted). As a result, the company's after-tax cash flow yield increased to 4.8% in 2007 from 3.4% in 2006.

EBIT after restructuring charges was $734,000,000, or $3.435 per share (diluted) in 2007, a decrease of 9% from $828,000,000, or $3.82 per share (diluted) in 2006. The decrease was attributable to higher sales and volume as a result of continued market recovery and new programs, partially offset by increased costs and margins, and the impact of higher restructuring charges from the implementation of the company's new business strategy.

EBIT before restructuring charges was $1,119,000,000, or $4.682 per share (diluted) for 2007, compared with $370,000,000, or $1.654 per share (diluted) in 2006. This was essentially comparable to the $1,118,000,000, or $4.681 per share (diluted) the company reported in 2005. The increase of $79,000,000, or $0.34 per share (diluted), from 2006 to 2007 was attributable to higher sales and volume as a result of continuing market recovery and mid-year acquisition activity, partially offset by increased costs and margins.

Investor Implications

Total Analysis, portfolio managers, and representatives of financial institutions seeking information about the company shall contact the Tenneco Inc. Investor Relations department.

The company expects that the forthcoming quarter will reflect a significant improvement in sales and earnings on the back of the business restructuring plans implemented in 2006. Additional information on the company's financial policy and risk factors are presented in the company's Annual Report on Form 10-K for the year ended December 31, 2006.

For further investor information, please contact the Investor Relations department at 703-463-7710 or visit our website at www.tenneco.com.*

Total Commissio nal Basis

Total revenue for the quarter ended December 31, 2007, was $2,786,000,000. Total after-tax income was $253,000,000, or $1.09 per share (diluted), compared with $204,000,000, or $0.87 per share (diluted) in the corresponding 2006 quarter. Operating income was $309,000,000, or 11.0% of sales, compared with $230,000,000, or 9.5% of sales, in the 2006 quarter.

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Tenneco Inc.

Original Equipment

<table>
<thead>
<tr>
<th>Operations</th>
<th>2007 Sales</th>
<th>Applications</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Evolution Control</td>
<td>$3.1 billion</td>
<td>Passenger use</td>
<td>Catalytic shocks, Electronic Components</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aftermarket use</td>
<td>Catalytic converters, Engine Mounting Systems</td>
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<tr>
<td></td>
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<table>
<thead>
<tr>
<th>Ride Control</th>
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Aftermarket

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<tr>
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<td>Safety Installers, Shock Absorbers</td>
<td></td>
</tr>
</tbody>
</table>

Diverse Customer Base

Top Customers in a total of 2007:
- Volkswagen Corp. - $4,682 million
- Volvo Corp. - $3,446 million
- General Motors Corp. - $3,121 million
- Ford Motor Co. - $2,118 million
- Mekonomen AB - $1,954 million
- Lear Corp. - $1,933 million
- Borg Warner Inc. - $1,688 million
- Continental Corp. - $1,537 million
- Hercules Inc. - $1,498 million
- Denso Corp. - $1,466 million

Profile

- Tenneco Inc. is a leading global manufacturer of automotive components, systems and modules for the world’s leading automotive brands.
- The company is headquartered in Chicago, Illinois, with operations in North America, Europe and Asia-Pacific.
- Tenneco has a diverse customer base and is committed to innovation, quality and sustainability.

Investor Information

Corporate Information

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Tenneco Inc. is committed to innovation, quality and sustainability. The company has a diverse customer base and is dedicated to delivering products that meet the needs of its customers and the demands of the automotive industry.

Stock Information

Tenneco Inc. stock is listed on the New York Stock Exchange and also on the Chicago Stock Exchange.

As of February 28, 2008, there were approximately 2,288 holders of record of the company’s common stock, each owning less than 100 shares.

Trademarks

- Tenneco
- S&P 500 Index
- Old Custom Composite Index
- New Custom Composite Index

Investor Services

- Tenneco Inc., corporate headquarters: 230 North Michigan Avenue, Suite 3200, Chicago, IL 60601-2899
- Corporate telephone: (312) 326-5000
- Corporate website: www.tenneco.com

Management's Discussion and Analysis

This report contains anticipated or forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such statements are intended to be subject to the safe harbor protection provided by such Act. Tenneco Inc. (the “Company”) may from time to time make other forward-looking statements in filings with the Securities and Exchange Commission, in reports to stockholders and in press releases.

Forward-looking statements include statements regarding the future results of operations, the future financial condition, the assumptions underlying future operating plans and objectives, and forecasts of financial performance, economic conditions, industry trends, technology development and regulatory changes. Forward-looking statements may be identified by words such as “anticipate,” “believe,” “expect,” “intend,” “plan,” “project,” “estimate,” “forecast,” “goal,” “objectives,” “will,” “should” and similar expressions. Forward-looking statements are based on Tenneco Inc.’s current judgment and expectations and are subject to risks and uncertainties that could cause actual results to differ materially. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this report.

Tenneco Inc. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements are intended as a “safe harbor” under the provisions of the Private Securities Litigation Reform Act of 1995.

Non-GAAP Financial Measures

The company has previously reported that Tenneco’s non-GAAP financial measures provide additional meaningful measures of Tenneco’s performance. These non-GAAP financial measures are presented in addition to the company’s GAAP financial measures and are intended to provide investors with a basis for evaluating Tenneco’s operating results on a consistent and comparable basis. Tenneco believes that these non-GAAP financial measures reflect the company’s core operating performance.

Stock Price Data

Stock Price Data for the years 2008 to 2004 is presented in the following table:

<table>
<thead>
<tr>
<th>Year</th>
<th>High</th>
<th>Low</th>
<th>Close</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
<td>$14.51</td>
<td>$7.73</td>
<td>$9.00</td>
</tr>
<tr>
<td>2007</td>
<td>$12.70</td>
<td>$7.56</td>
<td>$10.25</td>
</tr>
<tr>
<td>2006</td>
<td>$11.93</td>
<td>$5.70</td>
<td>$9.85</td>
</tr>
<tr>
<td>2005</td>
<td>$26.20</td>
<td>$13.80</td>
<td>$22.05</td>
</tr>
<tr>
<td>2004</td>
<td>$17.48</td>
<td>$9.16</td>
<td>$10.10</td>
</tr>
</tbody>
</table>

The company has determined that its common stock is a distinct security for the purposes of the U.S. Government Securities Code as a result of its special trading status on the New York Stock Exchange. As such, it is only appropriate to present the stock price data for Tenneco Inc. on a per-share basis.

For more information, please see the Tenneco Inc. website, www.tenneco.com.
Financial Highlights

(dollars in millions except share and per share data)

<table>
<thead>
<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales and operating revenues</td>
<td>$6,184</td>
<td>$4,682</td>
<td>$4,440</td>
<td>$4,213</td>
<td>$3,768</td>
<td>$3,460</td>
</tr>
<tr>
<td>Earnings before interest expense, taxes and minority interest</td>
<td>$252</td>
<td>$196</td>
<td>$217</td>
<td>$170</td>
<td>$171</td>
<td>$167</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>$205</td>
<td>$184</td>
<td>$177</td>
<td>$177</td>
<td>$163</td>
<td>$144</td>
</tr>
<tr>
<td>EBITDA(^1)</td>
<td>$457</td>
<td>$380</td>
<td>$394</td>
<td>$347</td>
<td>$334</td>
<td>$311</td>
</tr>
<tr>
<td>Net income (loss) before changes in accounting principles</td>
<td>$(5)(^2)</td>
<td>$49</td>
<td>$56</td>
<td>$9</td>
<td>$25</td>
<td>$29</td>
</tr>
<tr>
<td>Earnings (loss) per diluted share before changes in accounting principles</td>
<td>$(0.11)(^2)</td>
<td>$1.05</td>
<td>$1.24</td>
<td>$0.21</td>
<td>$0.58</td>
<td>$0.69</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$198</td>
<td>$170</td>
<td>$143</td>
<td>$131</td>
<td>$130</td>
<td>$138</td>
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<tr>
<td>Average diluted shares outstanding</td>
<td>45,809,730</td>
<td>46,755,573</td>
<td>45,321,225</td>
<td>44,180,460</td>
<td>41,767,959</td>
<td>41,667,815</td>
</tr>
<tr>
<td>Total debt</td>
<td>$1,374</td>
<td>$1,385</td>
<td>$1,383</td>
<td>$1,421</td>
<td>$1,430</td>
<td>$1,445</td>
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<tr>
<td>Cash and cash equivalents</td>
<td>$188</td>
<td>$202</td>
<td>$141</td>
<td>$214</td>
<td>$145</td>
<td>$54</td>
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<tr>
<td>Debt net of cash balances</td>
<td>$1,186</td>
<td>$1,183</td>
<td>$1,242</td>
<td>$1,207</td>
<td>$1,285</td>
<td>$1,391</td>
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Revenue Per Employee

$ in thousands

<table>
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<tr>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
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<tr>
<td>$294</td>
<td>$246</td>
<td>$234</td>
<td>$229</td>
<td>$197</td>
<td>$176</td>
</tr>
</tbody>
</table>

SGA&E\(^3\)

As percentage of revenue

<table>
<thead>
<tr>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
<th>07</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.3%</td>
<td>9.8%</td>
<td>10.5%</td>
<td>11.4%</td>
<td>11.7%</td>
<td>12.1%</td>
</tr>
</tbody>
</table>

EBITDA\(^1\)

$ in millions

<table>
<thead>
<tr>
<th>02</th>
<th>03</th>
<th>04</th>
<th>05</th>
<th>06</th>
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<tr>
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<td>$334</td>
<td>$347</td>
<td>$380</td>
<td>$394</td>
<td>$457</td>
</tr>
</tbody>
</table>

\(^1\)EBITDA represents income before cumulative effect of changes in accounting principles, 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 our performance, or as an alternative to operating cash flows as a measure of liquidity. We have reported EBITDA because we believe EBITDA is a measure commonly reported and widely used by investors and other interested parties as an indicator of a company's performance. We believe 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 in this document may not always be comparable to similarly titled measures reported by other companies due to differences in the components of the calculation.

\(^2\)Includes pre-tax expenses of $26 million, $18 million after-tax or $0.37 per share for costs related to refinancing activities. Also includes a $66 million or $1.40 per share non-cash tax charge for realigning the European ownership structure.

\(^3\)Selling, General, Administrative and Engineering
My aim is to inspire value creation in the people around me. Today, more than ever, adding value requires the willingness and ability to take on and manage risk, invest capital efficiently and employ effective leadership and technical skills.

To Our Shareholders:

Reflections on My First Year
Just over a year ago, I joined Tenneco as CEO. I was excited about the global opportunities for this company with its impressive track record of adaptability, cost management, strategic balance and broad customer relationships. Our 2007 results further validated these strengths.

Principal among the achievements last year were a 32% increase in revenue and a 25% rise in adjusted* operating income, despite continued weakness in the North American automotive industry. Moreover, we held our debt level constant and improved our leverage ratio even while investing nearly $200 million in capital for new-business launches and $16 million on a technology acquisition. Additionally, we spent $26 million on refinancing actions that lowered our cost of debt and improved our financial flexibility, further positioning us for growth.

During my first year, I spent a lot of time in the field visiting 13 countries and 37 facilities, analyzing Tenneco’s operations and engaging hundreds of employees in constructive dialogue. From the start, and all along the way, I recognized a culture of shared values, cost discipline, innovation and commitment to execution. I learned that our operations and our people are second to none. Their talents, skills and knowledge coupled with the strong 2007 performance confirmed to me that the foundation is in place to build for the future.

I saw my mandate as extending Tenneco’s vision over a longer time period and developing a roadmap with explicit directions for realizing our goals.

What Differentiates Tenneco
Our opportunities for industry leadership are two-fold: capitalizing on operational advantages that differentiate us in the auto parts industry and developing advanced technologies that anticipate customer needs and preferences.

With these two coordinates, our five-year roadmap has a clear vision. My chief objectives are to enhance our premier research and development capabilities, focus our technologies on capturing global market opportunities and strengthen our business structure through operational excellence.

Looking out at least five years as market trends evolve, I see several key developments that position Tenneco favorably for long-term growth:

- Ever-increasing environmental regulations requiring innovative technologies and yielding higher content per vehicle.
- New emission standards for adjacent markets.
- Growing demand for electronic technologies for ride control comfort and safety.
- Vehicle manufacturers expanding operations globally.
- Emerging economies seeing double-digit vehicle production growth.
- A growing and aging vehicle fleet creating demand for replacement parts.

In 2007, we took some key steps toward achieving our long-range vision. In support of our roadmap, we acquired a strategic technology for emission control. We launched four diesel platforms in the U.S., including one for a commercial truck. We grew our Japanese original equipment (OE) business by 45% in North America. And we reinforced our commitment to the world’s emerging BRIC economies—Brazil, Russia, India and China—by opening our first emission control engineering center in China and our second manufacturing facility in Russia.

Capitalizing on Operational Advantages
While our success in 2007 and our future opportunities speak to the strengths of our core growth strategy, they also reflect our competitive advantages as a global market-share leader.

- A geographic balance with more than 50% of our revenue and profit from outside North America.
- Relationships with virtually every automotive and commercial vehicle original equipment manufacturer (OEM) around the world. Products on over 220 different light-vehicle platforms.
- A profitable and customer-diversified global aftermarket business that benefits from synergies with our OE operations.
- A discipline in focusing resources on our core competencies.
- Lean manufacturing and standard operating processes.

*An explanation of these adjustments can be found in the Management’s Discussion and Analysis of the attached Form 10-K. Additionally, a reconciliation of the results is detailed on the inside back cover of this report.
Equally important is knowing where to focus innovation efforts, strategically. Besides offering a higher return, our value-added products open new markets, expand our product lifecycle, create a competitive advantage, and make a positive contribution to safeguarding the environment.

**Growth Through Advanced Technologies**

The automotive market has been undergoing rapid and significant changes in the last couple of years that, in turn, create opportunities for Tenneco. Environmental pressures globally are driving the most intense period of regulatory change in history, while vehicle performance demands continue to increase. Manufacturers are looking to suppliers for solutions for increasing fuel efficiency, reducing harmful emissions and improving vehicle ride and handling.

Greater content per vehicle will come from tightening regulatory standards, advanced technologies and safety enhancements. Couple this with the increasing number of vehicles expected to be produced globally, and Tenneco’s growth opportunities become evident.

We’re targeting annual compounded revenue growth for our global OE business of 11%-13% through 2012. This is based on global industry forecasts of 4% annual growth in light-vehicle production, and at least 7% average annual growth in available emissions aftertreatment revenue for light and commercial vehicles. On top of that, regulation-driven opportunities to gain share in adjacent markets, like agriculture and construction equipment, and growing demand for ride control technologies, like our Continuously Controlled Electronic Shock system (CES), contribute to our growth projection.

**Vision—Adding Value Mile by Mile**

We’ve set the right course for achieving our goals. With the strength of our team, our strategy and our ever-evolving technology portfolio, I believe we are well positioned to build on our success and take advantage of the market opportunities before us.

In this year’s annual report, we take a closer look at Tenneco’s roadmap—for developing advanced technologies, penetrating adjacent vehicle segments and expanding in emerging markets. This should provide additional insight into our promising future.

Gregg M. Sherrill  
Chairman and Chief Executive Officer  
Tenneco Inc.
Right technology...

At Tenneco, innovation is about making sure we use ideas, technology and knowledge to deliver the right products at the right time.

We excel in anticipating and understanding customer needs, shaping the innovative concept and actively implementing appropriate solutions. Technology and innovation should launch our company into new markets, enable rapid growth, and create high returns on our investments. Tenneco has a long history of innovation, including:

- A pioneer of catalytic converters in 1975,
- Initiating diesel particulate filter (DPF) applications for commercial and off-highway vehicles in 1985,
- The first to successfully commercialize the Ultra Thin Wall Substrate converter for gasoline engines in 2001,
- Production-stage heavy-duty Selective Catalytic Reduction (SCR) applications in 2005 for nitrogen-oxide (NOx) abatement, a key technology for the 2010 U.S. emission regulations,
- Developing a Continuously Controlled Electronic Suspension (CES) for the European market in 2002,
- Last year’s introduction of an integrated diesel oxidation catalyst, DPF and NOx converter system that reduces harmful hydrocarbons, particulate matter and ozone smog, meeting 2010 mandates in 2007, and
- Our recent acquisition of a state-of-the-art urea injection and dosing system that completes our SCR technology and enhances our capability as a full-system integrator.

Tenneco’s technology roadmap for emission control begins with the primary needs of the marketplace and customers—a market-pull perspective.

Strict environmental regulations are not a passing fad. Vehicle manufacturers around the globe continually are faced with a complex maze of new regulations. We work with government regulators and our customers on related solutions for achieving improved fuel economy and more comprehensive emission reductions.

Our emission control research and development effort focuses on innovations that support both immediate and
anticipated mandates for gas- and diesel-engine vehicles. It is to our advantage that technology developed for one segment is scaleable for other engine applications.

Our *ride control roadmap* starts with a key technology and seeks to expand into new markets and vehicle segments—a technology-*push* perspective.

In ride control, our electronic shock absorbers (CES) respond to customer demand for a suspension system that differentiates vehicles by providing superior handling without compromising ride comfort. CES is a semi-active system that continuously adjusts damping levels according to road and driving conditions.

Tenneco's process/product innovation and experience curve are our most effective means of gaining a competitive advantage.

**Advanced Ride Control System:** Kinetic H2 Technology with Continuously Controlled Electronic Suspension (CES)

**Advanced Emission Control Solutions:**
1) Oxidation Catalytic Converter
2) DeNOx Catalytic Converter
3) Urea Injection and Dosing System
4) Diesel Particulate Filter
5) Selective Catalytic Reduction
6) Acoustic Silencer

These advanced emission and ride control systems are a composite of our technologies and are not intended to depict an actual in-production system.
Leading Through Innovation

Over the past eight years, Tenneco has innovated both in product design and production process, which has helped set the company apart from competitors. We are a leader in applying the right technologies to the right challenges.

Incorporating automated laser-beam welding into our production processes—replacing traditional welding methods—allows for significant improvements in performance and cost. The laser provides a concentrated heat source that permits narrower welds because the laser’s unique delivery optics can focus and direct the energy to a very small, precise point, which also enables the beam to supply energy to hard-to-reach spots.

This versatile process is capable of welding a variety of materials, including most types of steel as well as aluminum and titanium. The laser process is more energy efficient because less heat is used to fuse the materials. The smaller, heat-affected zone provides a welded joint that is superior in fatigue strength.
Vehicle emission standards are tightening around the world. At the same time, consumer demand for increased vehicle performance and safety is requiring more refined handling and ride comfort.

Tenneco is capitalizing on its strong technology position in emission and ride control to capture a leading share of these market-driven growth opportunities.

**Emission technologies** developed decades ago for mature markets are now seeing expanded life cycles through adoption in emerging markets. For example, we estimate our unit growth in catalytic converters, which were first introduced in the U.S. in 1975, will increase 14% compounded annually through 2012. The mature markets require new solutions. Our unit growth of more recent technologies such as DPF, SCR and NOx converters reflect an estimated 18% average annual growth rate over the same period.

**Clean diesel engines** deliver 20% to 30% better fuel economy than gasoline power, a partial cure for higher fuel prices and concerns about carbon-dioxide emissions. This rapidly expanding market represents opportunities for Tenneco to add more content per vehicle with better margins through advanced technologies.

**Asian automakers** are gaining share in the global vehicle market. Japanese OE business made up 17% of Tenneco’s North American original equipment revenue in 2007. Our strong relationships in North America represent an opportunity to further expand our partnerships with these customers overseas as they look to take advantage of our broad capabilities in every automotive region of the world. In fact, in 2007 Tenneco was awarded approximately $200 million in annualized new business with five Japanese automakers—20% of this revenue will come from BRIC economies. The Korean and Chinese automakers are also a focus for us, and we are pursuing relationships with them as their manufacturing needs grow.

**Right technology, right time...**

<table>
<thead>
<tr>
<th>Year</th>
<th>Region</th>
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<td>2007</td>
<td><strong>UNITED STATES</strong></td>
<td>US-07 CVS</td>
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<td></td>
<td>Europe</td>
<td>Euro-3 LVS</td>
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<td>2008</td>
<td><strong>EUROPE</strong></td>
<td>EU Euro-5 CVS</td>
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<td></td>
<td>China</td>
<td>Euro-3 Two-wheel Beijing Euro-4 LVS</td>
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<td>2009</td>
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<td></td>
<td>Russia</td>
<td>Euro-3 LVS</td>
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* Phased in
** Estimated date

CVS - Commercial Vehicle Systems
LVS - Light Vehicle Systems
Advanced electronic technologies have favored the luxury vehicle market, particularly in Europe, where our electronic suspension system has won many contracts. Growth in revenue and market share will come from penetrating mid-level vehicles in Europe and introducing our CES technology in North America as today’s drivers demand high levels of quality, safety and comfort.

Replacement parts should increase in demand as emerging markets mature. Millions of new cars are expected to be sold in China alone over the next few years, representing a huge opportunity for aftermarket parts as these vehicles age. And, more complex emission products being mandated on new vehicles every year mean greater parts-per-vehicle available for replacement.
Knowledge-Based Manufacturing and Engineering

Following a 2007 Automotive News PACE Award for its Diesel Aftertreatment Predictive Development Process, Tenneco is a 2008 Pace Award finalist for its Knowledge-Based Manufacturing and Engineering technology.

This proprietary, exclusive and economical initiative continuously captures and updates knowledge gleaned from the company’s most successful production and design processes.

It is predictive modeling based on best practices and is continuously updated, providing a breakthrough level of knowledge management that allows an engineering team to prepare detailed plans in a matter of hours without creating a trial-and-error prototype that, under the current manual method, would require weeks or months.
Right technology, right time, right place. This is our plan.

Tenneco produces and sells its products worldwide through 80 manufacturing plants and 15 engineering facilities strategically positioned to meet local customer demand.

In the global automotive industry, opportunities are everywhere—in emerging and mature markets alike—but the biggest automotive growth will come from the BRIC (Brazil, Russia, India, and China) countries. **Brazil’s** healthy economic growth is stimulating domestic demand for vehicles. The country produced a record 2.97 million vehicles last year, up 14% from 2006.

In 2007, we launched 16 new vehicle platforms in South America and won 23 new platforms launching between 2008 and 2011, including two platforms that will address Brazil’s 2009 emission regulations and our first SCR system for a major Brazilian diesel-engine producer.

**Russia’s** favorable economic outlook, rising number of international vehicle manufacturers, and 2007 new-car sales and production growth of 31% and 9%, respectively, make it one of the world’s most attractive automotive regions. Modern, high-quality components are in demand from Western carmakers located there and from Russian producers alike.

Tenneco expanded its Togliatti production facility and opened a new emission control facility in St. Petersburg last year.

Our revenue from Russia is expected to more than triple through 2012.

**India**, one of the world’s fastest-growing car markets, is expected to double its auto production by 2012. With the world’s second-largest population, India’s increasing per capita income, higher spending on infrastructure, attractive financing options and 9% economic growth are fueling automotive demand in this region.

Tenneco currently has four manufacturing facilities located near key international and Indian customers. We’ve recently secured ride control contracts with three Japanese customers and construction is underway to further expand ride control capacity. Due to more stringent emission policies by the Indian government, we expect substantial growth for our emission control business in India through 2012.

**BRIC light-vehicle production CAGR**

- **Brazil**: 5%
- **Russia**: 9%
- **India**: 18%
- **China**: 11%
- **World’s CAGR**: 4%
China is the second-largest car market in the world, the third-largest auto producer, and the world’s largest producer of commercial trucks. Demand from a rising middle class boosted light-vehicle sales 20% in 2007.

Tenneco has one wholly owned and five majority-owned manufacturing facilities in China. We’re the leading emission control supplier in this country, and opened our first emission control engineering center in Shanghai in 2007. We’re now even better positioned to capitalize on the tightening emissions standards for light and commercial vehicles mandated for 2007 and 2010, respectively, and expect to significantly outperform market production in this region over the next five years.

International diversification provides Tenneco opportunities for expansion while moderating regional industry fluctuations.

*Source: Global Insight Dec. 2007
Capitalizing on Global Business Opportunities

Of Tenneco’s 80 manufacturing facilities and 15 engineering centers throughout the world, 32% are in North America, 42% are in Europe, South America and India, and 26% are in the Asia-Pacific region. Significantly, nearly all of these are situated close to customer locations for optimal logistics, communication and technical support. Substantial investments by international vehicle manufacturers are being concentrated where the greatest automotive growth among developing countries is occurring—currently in Brazil, Russia, India and China. Tenneco is matching this expansion stride for stride. Our international diversification strategy aims to capitalize on the rapid growth in automotive assembly globally, while spreading industry and economic risks over a variety of regions and among both emerging and mature markets.
Board of Directors

Top Row, Left To Right

Charles W. Cramb¹
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Dennis J. Letham¹
Executive Vice President, Finance
Chief Financial Officer
Anixter Inc.

Frank E. Macher¹
Chief Executive Officer
Finance Manufacturing Acquisition & Capital

Roger B. Porter²,3
IBM Professor of Business and Government
Master of Dunster House
Harvard University

Bottom Row, Left To Right

David B. Price, Jr.²,³
Chief Executive Officer and President
Birdet Price, LLC

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Chairman and Chief Executive Officer
Tenneco Inc.

Paul T. Stecko²,³
Chairman and Chief Executive Officer
Packaging Corporation of America

Mitsunobu Takeuchi¹
Retired Chairman and Chief Executive Officer
DENSO International Americas, Inc.

Jane L. Warner¹,²
Executive Vice President
Illinois Tool Works Inc.

¹ Audit Committee
² Compensation/Nominating/Governance Committee
³ Three-Year Independent Director Evaluation Committee

Bold numbers indicate the committee chair.

Officers

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President, International

Kenneth R. Trammell
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Senior Vice President
General Manager, North America
Original Equipment Emission Control

Timothy E. Jackson
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Neal A. Yanos
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General Manager, North America
Original Equipment Ride Control and North America Aftermarket

Theo Bonneu
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Josep Fornos
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Original Equipment Emission Control

H. William Haser
Vice President
Chief Information Officer

Jeffrey L. Jarrell
Vice President
Japan and Korea
Global Original Equipment Business

John E. Kunz
Vice President
Treasurer and Tax

Paul D. Novas
Vice President and Corporate Controller

James K. Spangler
Vice President
Global Communications

Karel Van Bael
Vice President
General Manager, Europe
Original Equipment Ride Control
Corporate Information

Tenneco is a leading global designer, engineer, manufacturer and marketer of automotive components, systems and modules for the world’s leading original equipment manufacturers of passenger cars, sport-utility vehicles, light trucks and commercial vehicles. These systems are designed to improve safety, enhance comfort and reduce vehicle emissions and noise.

Investor Information

For Tenneco's investor relations information, visit the Investor Relations section of our corporate website. You may also reach us via e-mail at investorrelations@tenneco.com or by phone at 703-207-4300.

Selected Financial Data

The Selected Financial Data has been derived from Tenneco’s historical financial statements. These data may not be comparable to future historical data due to changes in Tenneco’s accounting policies, the adoption of new accounting pronouncements or changes in the economic environment.

Spartan Motors, Inc.

Spartan Motors, Inc. designs, engineers, manufactures and sells commercial vehicles for the global market. They are leaders in the highly specialized recreational vehicle, emergency vehicle, and specialty truck markets. Their products include a variety of specialty vehicles, such as ambulances, fire trucks, and emergency response vehicles.

Trailer Operations

Trailer Operations is a leading producer of commercial and recreational trailers, and is a leader in the North American trailer market.

Performance Products

Performance Products is a leading manufacturer of automotive exhaust systems and related products.

Light Commercial Vehicles

Light Commercial Vehicles is a leading manufacturer of light commercial vehicles, including delivery vans and box trucks.

Rancho

Rancho is a leading manufacturer of shock absorbers, struts, and other suspension components.

Rancho products are designed to enhance the ride quality of vehicles, improving comfort and performance.

Corporate Website

Tenneco Inc.'s Corporate Website is a valuable resource for investors, providing access to financial information, corporate news, and other relevant data. The website also includes a frequently asked questions (FAQ) section and contact information for investors and other stakeholders.

Stock Price Data

The Stock Price Data presents the closing price for Tenneco Inc. for the years 2008 to 2011. The data includes the high and low prices, percentage change, and the volume of shares traded.

Tenneco Inc.’s Annual Shareholders’ Meeting is scheduled for June 2011. More information on the meeting can be found on the company’s Corporate Website.

Profile

Tenneco Inc. is a leading global designer, engineer, manufacturer, and marketer of automotive components, systems and modules. They have a strong commitment to innovation and sustainability, and are dedicated to improving the safety, comfort, and efficiency of vehicles around the world.
Adding value mile by mile. Our roadmap.

Our Vision
Pioneering global ideas for cleaner, quieter, and safer transportation.

Corporate Profile
Tenneco is one of the world’s largest designers, manufacturers and marketers of emission control and ride control products and systems for the automotive original equipment market and aftermarket. The company became an independent corporation in 1999, allowing singular focus on strategies to maximize global results.

Tenneco markets its products primarily under the Monroe®, Walker®, Gates®, and Clevite® Elastomers brand names. Leading manufacturers worldwide use our products in their vehicles, attracted principally by our advanced technologies. We are one of the top suppliers to the automotive aftermarket, offering exceptionally strong brand recognition among consumers and trade personnel.

Safe Harbor Statement
Please see the Safe Harbor Statement, risk factors and the discussion of our original equipment (OE) revenue forecast under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the accompanying Form 10-K, which is incorporated herein by reference.

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About Us
Our mission is to pioneer global ideas for cleaner, quieter, and safer transportation. We believe innovation begins at home and is achieved through a collaborative effort of engineers, designers, scientists and all team members. Our guiding philosophy is, “Adding value mile by mile.”

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www.tenneco.com
NYSE: TEN

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For stockholder services, such as exchange of certificates, issuance of certificates, lost certificates, change of address, change in registered ownership or share balance, write, call or e-mail the company’s transfer agent:
Wells Fargo Bank, N.A.
Shareowner Services
161 N. Concord Exchange South St.
Paul, MN 55157
866.839.3259 (Toll Free)
651.450.4064
www.wellsfargo.com/shareownerservices

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