ONE BOLD VISION
One Extraordinary Future
Pioneering global ideas for cleaner air, and smoother, quieter and safer transportation.

Tenneco is an $8 billion global manufacturing company with headquarters in Lake Forest, Illinois and approximately 26,000 employees worldwide. Tenneco is one of the world’s largest designers, manufacturers and marketers of clean air and ride performance products and systems for automotive, commercial truck and off-highway original equipment markets and the aftermarket.
## Financial Highlights

($ in millions except share and per share data)

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</thead>
<tbody>
<tr>
<td>Net sales and operating revenues</td>
<td><strong>$7,964</strong></td>
<td><strong>$7,363</strong></td>
<td><strong>$7,205</strong></td>
<td><strong>$5,937</strong></td>
<td><strong>$4,649</strong></td>
<td><strong>$5,916</strong></td>
</tr>
<tr>
<td>Earnings (Loss) before interest expense, taxes and noncontrolling interests (EBIT)</td>
<td><strong>$424</strong></td>
<td><strong>$428</strong></td>
<td><strong>$379</strong></td>
<td><strong>$281</strong></td>
<td><strong>$92</strong></td>
<td><strong>$(3)</strong></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td><strong>$205</strong></td>
<td><strong>$205</strong></td>
<td><strong>$207</strong></td>
<td><strong>$216</strong></td>
<td><strong>$221</strong></td>
<td><strong>$222</strong></td>
</tr>
<tr>
<td>EBITDA including noncontrolling interests</td>
<td><strong>$629</strong></td>
<td><strong>$633</strong></td>
<td><strong>$586</strong></td>
<td><strong>$497</strong></td>
<td><strong>$313</strong></td>
<td><strong>$219</strong></td>
</tr>
<tr>
<td>Net income (loss) attributed to Tenneco Inc.</td>
<td><strong>$183</strong></td>
<td><strong>$275</strong></td>
<td><strong>$157</strong></td>
<td><strong>$39</strong></td>
<td><strong>$(73)$</strong></td>
<td><strong>$(415)$</strong></td>
</tr>
<tr>
<td>Earnings (Loss) per diluted share</td>
<td><strong>$2.97</strong></td>
<td><strong>$4.50</strong></td>
<td><strong>$2.55</strong></td>
<td><strong>$0.63</strong></td>
<td><strong>$(1.50)$</strong></td>
<td><strong>$(8.95)$</strong></td>
</tr>
<tr>
<td>Cash flow from operations</td>
<td><strong>$503</strong></td>
<td><strong>$365</strong></td>
<td><strong>$245</strong></td>
<td><strong>$244</strong></td>
<td><strong>$241</strong></td>
<td><strong>$160</strong></td>
</tr>
<tr>
<td>Capital expenditures</td>
<td><strong>$254</strong></td>
<td><strong>$263</strong></td>
<td><strong>$218</strong></td>
<td><strong>$154</strong></td>
<td><strong>$118</strong></td>
<td><strong>$160</strong></td>
</tr>
<tr>
<td>Average diluted shares outstanding</td>
<td><strong>61,594,062</strong></td>
<td><strong>61,083,510</strong></td>
<td><strong>61,520,160</strong></td>
<td><strong>60,998,694</strong></td>
<td><strong>48,572,463</strong></td>
<td><strong>46,406,095</strong></td>
</tr>
<tr>
<td>Total debt</td>
<td><strong>$1,102</strong></td>
<td><strong>$1,180</strong></td>
<td><strong>$1,224</strong></td>
<td><strong>$1,223</strong></td>
<td><strong>$1,220</strong></td>
<td><strong>$1,451</strong></td>
</tr>
<tr>
<td>Total cash</td>
<td><strong>$280</strong></td>
<td><strong>$223</strong></td>
<td><strong>$214</strong></td>
<td><strong>$233</strong></td>
<td><strong>$167</strong></td>
<td><strong>$126</strong></td>
</tr>
<tr>
<td>Debt net of cash balances</td>
<td><strong>$822</strong></td>
<td><strong>$957</strong></td>
<td><strong>$1,010</strong></td>
<td><strong>$990</strong></td>
<td><strong>$1,053</strong></td>
<td><strong>$1,325</strong></td>
</tr>
</tbody>
</table>

1 EBITDA including noncontrolling interests represents income from continuing operations 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. See Reconciliations on inside back cover for more discussion.

2 Debt net of cash balances.
To Our Shareholders

I am pleased to report an outstanding year for Tenneco in 2013, a year in which we not only delivered strong financial results but also announced a long-term vision and strategic direction that builds on our success, drives profitable growth and will take Tenneco into the future as the leading Clean Air and Ride Performance company.
One Bold Vision  Early in the year, we made organizational changes to support our strategic direction and position Tenneco to achieve our vision for growth. We aligned our businesses along product lines by creating two global divisions, Clean Air and Ride Performance. This new structure creates a more focused approach for each product line, which allows us to capitalize on the strengths and opportunities unique to each while also beginning to drive greater integration across regions as we serve our global customer base.

Strategic Imperatives  I am excited about the opportunities in both our Clean Air and Ride Performance businesses with each playing an important role in Tenneco’s future success. Our Clean Air growth opportunities are regulatory driven due to societal concerns and the demand for clean air. We are winning new business and new customers as emissions regulations in markets worldwide continue to take effect on light vehicles, commercial trucks, off-highway equipment and large engine applications. These new opportunities include additional content to meet stricter regulations, incremental business as regulations expand across a broader range of applications and opportunities in newly regulated regions.

TENNECO’S STRATEGIC VISION PROVIDES A DISTINCT FOCUS FOR EACH OF OUR PRODUCT LINES, AND ALIGNS THE EFFORTS OF OUR 26,000 EMPLOYEES AROUND THE WORLD.
Growth and Balance

Tenneco’s distinct strategies for profitable growth in the Clean Air and Ride Performance divisions are achieving outstanding balance in terms of customers, end-markets, vehicle platforms and geographic regions.

TOP 20 CUSTOMERS

- General Motors
- Ford
- Volkswagen Group
- Daimler
- Toyota
- SAIC
- Fiat Chrysler
- Caterpillar
- BMW
- Tata Motors
- First Auto Works
- NAPA
- Changan Automobile
- John Deere
- Navistar
- PSA Peugeot Citroen
- Advance Auto Parts
- Nissan
- O’Reilly Auto Parts
- Geely

2013 PERCENT OF REVENUE BY DIVISION

- Clean Air 68%
- Ride Performance 32%

2013 PERCENT OF REVENUE BY END MARKET

- OE Light Vehicle 72%
- Aftermarket 16%
- OE Commercial Truck and Off Highway 12%
Our strategy focuses on having the global regulatory expertise, a solid foundation in core sciences and the technology and application engineering know-how needed to develop cost-effective solutions for a broad range of applications. Between now and 2025, we anticipate the global emissions control market will nearly triple in size and our goal is to capture a significant share of that growth.

In Ride Performance, our strength is reflected in the 89 million conventional shock absorbers and struts we produced in 2013, more than any other manufacturer worldwide. Our strategies leverage this significant scale and build on our leading market positions through product cost leadership, superior functionality and with our advanced technology offerings. We anticipate realizing significant value as we continue to execute on our product cost leadership plans, which include operational improvements applied across the production of those 89 million shocks and struts. We also have a tremendous opportunity with our electronic ride control components and systems. We’re broadening our customer base for these products, which deliver superior driving experience using our most advanced ride control technologies.

Our Ride Performance business includes Tenneco’s global elastomer business with products sold under the well-known Clevite™ Elastomers and Axios™ brands. Our growth opportunities are in segments and applications that value high technology and full solutions, and in developing new uses for these products as part of other Ride Performance and Clean Air solutions.

Tenneco also benefits from having a strong global aftermarket business. Strategically, our priority is to leverage our powerful brands, such as Monroe®, our distribution network and sales and marketing expertise to maintain Tenneco’s market-leading positions while also expanding into new geographic regions.

We have a solid base to build on with our shocks and struts, elastomer and aftermarket strengths and I am pleased with the plans we have in place to unlock the full potential of our Ride Performance business.
Regulatory Driven Growth

Commercial truck and off-highway applications represent Tenneco’s fastest-growing business as emissions regulations expand across a broader range of vehicles. Tenneco offers a full suite of technologies for diesel aftertreatment, as well as ride performance systems including axle, cabin and seat damping and custom engineered elastomer solutions.
THE ALL-NEW CHEVROLET CORVETTE IS THE FIRST VEHICLE TO UTILIZE TENNECO’S ELECTRONIC VALVE TECHNOLOGY FOR SOUND TUNING. THE VALVES ARE DESIGNED TO WORK IN CONCERT WITH THE VEHICLE’S ACTIVE FUEL MANAGEMENT SYSTEM.

A Common Foundation Equally important to our success across the entire corporation is a common foundation of shared values, operational excellence and financial strength. These foundational elements enable us to meet our commitments to customers, employees and to our shareholders.

Shared Values

- Accountability
- Health & Safety
- Innovation
- Integrity
- Passion and a Sense of Urgency
- Perseverance
- Results Oriented
- Teamwork
- Transparency
- Trust

Continued from page 5

Shared Values

Tenneco’s shared values capture the essence of who we are individually and collectively as a company. They define our behavior and the expectations we set for ourselves. At Tenneco, we place a great emphasis on our shared values, not only because working and living by these principles is the right thing to do, but I firmly believe they are the cornerstones of building and maintaining a strong and successful company.

Financial Strength

Our 2013 financial results reflect the alignment of our global team around our growth opportunities and improvement initiatives as well as Tenneco’s outstanding balance across geographic regions, end-markets, customers and vehicle platforms. We delivered record high annual revenue of nearly $8 billion. Our global engineering and manufacturing footprint, advanced technology, and engineering capabilities continued to drive revenue growth in our light vehicle, commercial truck and off-highway equipment businesses. Light vehicle revenue rose eight percent year-over-year, outpacing global industry production. Commercial truck and off-highway business rose 18 percent for the year as we benefitted from the continued ramp-up of new business to meet new emissions regulations, particularly in the North America and Europe off-highway markets. Complementing our original equipment revenue growth was a solid revenue contribution from our global aftermarket business.

In 2013, we also delivered record high earnings and cash flow with adjusted EBIT of $502 million and cash flow from operations of $503 million. We continue to
improve our balance sheet, which is stronger than ever as we achieved a new record low leverage ratio of 1.2x at the end of the year.

Our positive financial performance during 2013 sustains a pattern of profitable growth since the financial recession in 2008 and 2009, a trend we expect will continue. Our adjusted EBIT as a percent of value-add revenue increased to 8.2 percent, from 7.8 percent in 2012, driven by higher light vehicle volumes, an increase in commercial truck and off-highway revenues, higher global aftermarket sales and excellent operating performance.

**Operational Excellence** Operational excellence is at the heart of everything we do. Tenneco’s focus on our global manufacturing performance and driving consistency across our operations drives not only our financial results but also customer satisfaction.

When it comes to our manufacturing performance, safety and quality are our top priorities and we improved in both areas in 2013. Our Total Case Rate safety metric improved to its lowest level ever as we continue our relentless efforts to make Tenneco an injury-free workplace — the only acceptable working environment and our unwavering goal.

Our quality performance last year was also outstanding, demonstrating Tenneco’s commitment to our customers’ success. We had a best-ever parts per million (PPM) quality metric of 13. PPM is a key metric used by our customers to rate our performance and help guide their decisions on new business awards.

I am also proud of our excellence in launching programs. In 2013, we successfully launched 185 platforms with 65 customers worldwide. Another measure of how well we are meeting our customers’ expectations is the customer awards we receive. During the year, many of our customers including General Motors, Ford, John Deere, Toyota and Volvo recognized Tenneco for technology and innovation, quality and overall performance.
Geographic Balance

We serve our customers with an outstanding engineering and manufacturing footprint, which allows us to capture new growth opportunities around the world.
Another critical element to operational excellence is optimizing our global footprint to ensure we are operating where our customers want us to be and as efficiently as possible. This is an ongoing effort in a dynamic world where capacity must be efficiently added in high growth regions and adjusted where market conditions dictate such as in Europe.

**One Bold Vision — One Extraordinary Future** There has never been a more exciting time to be a part of Tenneco. We have an opportunity to build an extraordinary future on the fundamental strengths within each of our core businesses. These strengths include: a diverse customer base, technological leadership, a global manufacturing and engineering footprint, and alignment around the specific Clean Air and Ride Performance strategic imperatives. Underlying all of this is a strong culture grounded in our values. I speak for the entire global Tenneco team when I say that we have passion for this company; for turning our vision into reality; and for coming to work every day with enthusiasm, a desire to win and never losing sight of our commitment to serve our customers and to increase shareholder value.

I am proud of our 26,000 employees around the world who delivered excellent 2013 results and who are engaged in achieving our vision. I thank them for their efforts and I thank our shareholders, customers and suppliers for your confidence in Tenneco. I share that confidence and we are determined to build on everything we achieved in 2013.

Sincerely,

Gregg Sherrill  
Chairman and Chief Executive Officer  
Tenneco Inc.
## Tenneco Inc. At a Glance

### Clean Air

**2013 Sales**

- $5,444 million

**Top Five Customers**

- Ford Motor (OE)
- General Motors (OE)
- Daimler AG (OE)
- Volkswagen Group (OE)
- Toyota Motor (OE)

- NAPA (AM)
- Uni-Select (AM)
- Advance Auto Parts (AM)
- AutoZone (AM)
- Aftermarket Auto Parts Alliance (AM)

**Applications**

- Passenger car
- Light truck
- Commercial truck
- Off-highway equipment

- Off-highway equipment

**Models** on 2013

**Top Five Platforms**

- Ford Super Duty Gas/Diesel
- Ford F-Series
- Chevy Silverado/GMC Sierra
- Heavy Duty Gas/Diesel

- Chevy Malibu, Buick LaCrosse and Regal, Opel Insignia
- Mercedes A/B Class

**Market Opportunities**

- Additional content due to emissions regulations
- Commercial truck and off-highway diesel aftertreatment
- Large engine applications

- Emerging markets
- Customized sound attenuation
- Growing number of vehicles on the road (AM)
- Performance-product demand (AM)

**Products**

- Complete emissions control systems
- Fabricated manifolds
- Manifold-converter modules
- Catalytic converters
- Mufflers and resonators
- Diesel particulate filter systems
- Diesel vaporizer

- T.R.U.E.-Clean®
- Selective catalytic reduction
- Urea dosing and XNOx™ injection systems
- Exhaust heat exchangers
- Exhaust isolators and hanging systems
- Electric valve for low pressure EGR

**Applications**

- Passenger car
- Light truck
- Commercial truck
- Off-highway equipment

- Locomotive, marine and stationary
- Motorbike
- Bus

**Brands**

- WALKER
- Fenox
- XNOx™
- Thru$h
- Dynomax

**Primary Competitors**

- Faurecia (OE)
- Eberspacher (OE)
- Magneti Marelli (OE)
- Cummins Emissions Solutions (OE)
- Bosch (OE)

- Bosal (OE/AM)
- AP Exhaust Products (AM)
- MagnaFlow Exhaust Systems (AM)
- Klarius Group (AM)

Original Equipment (OE) Aftermarket (AM)

*Representative models featuring Tenneco content*
## Ride Performance

<table>
<thead>
<tr>
<th>2013 Sales</th>
<th>$2,520 million</th>
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<tbody>
<tr>
<td><strong>Top Five Customers</strong></td>
<td></td>
</tr>
<tr>
<td>• General Motors (OE)</td>
<td>• NAPA (AM)</td>
</tr>
<tr>
<td>• Ford Motor (OE)</td>
<td>• O’Reilly Auto Parts (AM)</td>
</tr>
<tr>
<td>• Volkswagen Group (OE)</td>
<td>• Advance Auto Parts (AM)</td>
</tr>
<tr>
<td>• Renault (OE)</td>
<td>• Uni-Select (AM)</td>
</tr>
<tr>
<td>• Daimler AG (OE)</td>
<td>• Aftermarket Auto Parts Alliance (AM)</td>
</tr>
</tbody>
</table>

| **Models** on 2013 Top Five Platforms |  |  |
| • Chevy Silverado, Tahoe and Suburban; GMC Sierra and Yukon | • Buick LaCrosse and Regal, Opel Insignia, Chevy Malibu |  |
| • Ford Focus, C-Max and Kuga; Mazda 3; Volvo S40 | • Ford Fiesta and B-Max, Mazda 2 |  |
| • Renault Dacia and Logan |  |  |

| Market Opportunities |  |  |
| • Vehicle stability and safety | • Seat and cabin damping systems |  |
| • Electronic technologies | • Growing number of vehicles on the road (AM) |  |
| • New valve technologies | • Unperformed maintenance (AM) |  |
| • Modular assemblies | • Premium mix expansion (AM) |  |
| • Emerging markets |  |  |
| • Commercial trucks |  |  |

| Products |  |  |
| • Shocks and struts | • Continuously Controlled Electronic Suspension systems |  |
| • Suspension bushings | • Anti-roll systems |  |
| • Coil, air and leaf springs | • Seat dampers |  |
| • Torque rods | • Performance shocks and struts (AM) |  |
| • Engine and body mounts | • Suspension lift kits (AM) |  |
| • Suspension modules and systems | • Brake pads (AM) |  |
| • Control arms, bars and links | • Steering and suspension parts (AM) |  |
| • Cabin and axle dampers |  |  |

| Applications |  |  |
| • Passenger car | • Golf car |  |
| • Light truck | • Motorbike |  |
| • Commercial truck | • Off-road recreational vehicle |  |
| • Bus | • Trailer (AM) |  |
| • Passenger rail |  |  |

| **Brands** |  |  |
| [MONROE](#) | [CLEVITE Elastomers](#) |  |
| [Fric-Rot](#) | [AXIOS](#) |  |
|  | [RANCHO](#) |  |

| **Primary Competitors** |  |  |
| • ZF Sachs (OE) | • Mando (OE) |  |
| • KYB (OE) | • KYB (AM) |  |
| • Magneti Marelli (OE/AM) | • ZF Sachs (AM) |  |
| • Beijing West Industries (OE) | • Ride Control LLC (AM) |  |
| • Hitachi (OE) |  |  |
Board of Directors

Thomas C. Freyman
Executive Vice President, Finance and Chief Financial Officer, Abbott

Dennis J. Letham
Retired Executive Vice President, Finance and Chief Financial Officer, Anixter International Inc.

Hari N. Nair
Chief Operating Officer, Tenneco Inc.

Roger B. Porter
IBM Professor of Business and Government, Harvard University

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

Gregg M. Sherrill
Chairman and Chief Executive Officer, Tenneco Inc.

Paul T. Stecko
Chairman of the Board, Packaging Corporation of America

Jane L. Warner
Retired Executive Vice President, Illinois Tool Works Inc.

1 Audit Committee 2 Compensation/Nominating/Governance Committee  Highlighted numbers indicate committee chair.
**Investor Relations**

**Stockholder Inquiries** 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
1110 Centre Point Curve
Mendota Heights, MN 55120
866.839.3259 (Toll Free)
651.450.4064
www.wellsfargo.com/shareownerservices

**Corporate Information** Information about Tenneco Inc. is available on the company’s web site www.tenneco.com, including the company’s latest quarterly earnings press release and other company information.

**Stock Listing** Tenneco’s common stock is listed under the ticker symbol TEN. TEN is traded primarily on the New York Stock Exchange and also on the Chicago Stock Exchange. As of February 21, 2014, there were approximately 17,016 stockholders of record of the company’s common stock, including brokers and other nominees, par value $0.01 per share.

**Investor Inquiries** Securities analysts, portfolio managers and representatives of financial institutions seeking information about the company should contact the Investor Relations department: 847.482.5162.

**Safe Harbor Statement** Please see the Safe Harbor Statement and Risk Factors in Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our quarterly reports on Form 10-Q, as filed with the Securities and Exchange Commission.

**Reconciliations** In addition to the results reported in accordance with accounting principles generally accepted in the United States ("GAAP") included in this report, the company has provided information regarding certain non-GAAP financial measures. See Tenneco’s Fourth Quarter and Full-Year 2013 Financial Results filed on Form 8-K on January 30, 2014 for a reconciliation of Net Income to EBITDA*, EBITDA* to Adjusted EBITDA*, Net Debt/Adjusted EBITDA*, EBIT to Adjusted EBIT, and Adjusted EBIT as a percentage of Value-Add Revenue. We present debt net of cash balances because management believes it is a useful measure of our credit position and progress toward reducing leverage. The calculation is limited in that we may not always be able to use cash to repay debt on a dollar-per-dollar basis.

*including noncontrolling interests
Corporate Headquarters
Tenneco Inc.
500 North Field Drive
Lake Forest, Illinois 60045
847.482.5000
www.tenneco.com
NYSE: TEN