SECOND QUARTER 2015

Earnings Conference Call

July 24, 2015

Agenda

• Highlights and Strategic Overview	Gregg Sherrill *Chairman & CEO*
• Segment Results	Brian Kesseler *Chief Operating Officer*
• Financial Overview	Ken Trammell *Chief Financial Officer*
• Outlook	Gregg Sherrill
• Questions and Answers	

Safe Harbor Statement / Non-GAAP Results:

Please see the safe harbor statement and the tables that reconcile GAAP results with non-GAAP results at the end of this presentation and in Tenneco's financial results press release, which is incorporated herein by reference.

Second Quarter Overview

$ Millions, except as noted

	2Q'15	2Q'14	B/(W)	% Change
Total Revenue	2,130	2,241	(111)	(5)%
Value-add Revenue	1,635	1,726	(91)	(5)%
Adjusted SGA&E † (% of Sales)	7.4%	7.9%	0.5%	6%
Adjusted EBIT †	162	166	(4)	(2)%
Adjusted EBIT † (% of VA Revenue)	9.9%	9.6%	0.3%	3%
Adjusted EBITDA *†	213	218	(5)	(2)%
Adjusted Net Income †	86	89	(3)	(3)%
Adjusted EPS ($) †	1.39	1.45	(0.06)	(4)%
Cash Flow From Operations	132	114	18	16%
Net Debt / Adjusted LTM EBITDA*†	1.3x	1.4x	0.1x	7%

* Including noncontrolling interests.
† Adjusted for restructuring activities and tax adjustments.

Structural Growth Drivers

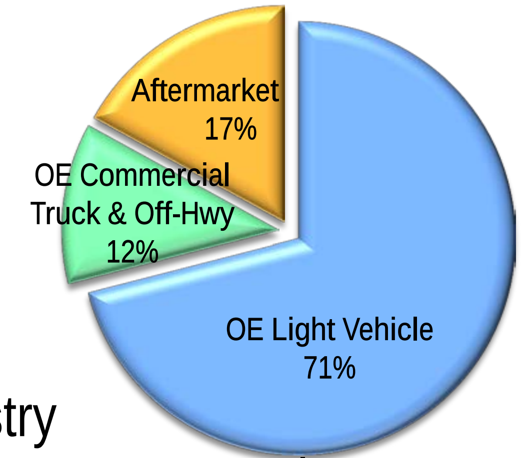
- Increasing global light vehicle industry production
- Emissions regulations which require new content to meet more stringent requirements
- Increased demand for MONROE® Intelligent Suspension technologies that differentiate vehicles
- Growing global car parc, which we serve with industry-leading aftermarket brands

Revenue

TENNECO

- Total revenue $2,130M, down 5%
- Excluding an 8% currency headwind, second quarter total revenue up 3%
  - OE light vehicle up 4%, outpacing LV production, lead by Europe, South America and India
  - OE commercial truck & off-highway outpaced industry production with global unit demand down ~25% YOY. Incremental content on commercial truck and off-highway programs offset a good portion of the volume weakness. Total revenue down 7%; Value-add revenue down 4%
  - Aftermarket up 6%, driven by strength in North and South America
- Excluding substrates and currency, revenue up 3%
  - Clean Air up 1%
  - Ride Performance up 5%

2Q 2015 Total Revenue



EBIT

- Adjusted EBIT of $162M, down 2%, including $17M negative currency impact, performance driven by
  - Strength of our light vehicle business
    - Products on nine of the top 10 passenger car models produced in Europe
    - Products on eight of the top 10 light truck models in North America
  - Incremental content on commercial truck and off-highway programs
  - Strong aftermarket sales
- VA adjusted EBIT margin increased 30 bps to 9.9%, ninth consecutive quarter of improved margins
  - Strong light vehicle volumes, content growth, aftermarket performance, and the benefits from our product cost leadership initiatives and restructuring savings
  - Results include launch and start-up costs associated with establishing two new Clean Air plants and a major plant expansion for significant incremental business

Clean Air Division

$ Millions

	2Q 2015			
	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 746	$ 471	$ 244	$ 1,461
Less: Substrate sales	269	170	56	495
Value-add revenue	$ 477	$ 301	$ 188	$ 966
Adjusted EBIT	$ 67	$ 13	$ 28	$ 108
Adjusted EBIT as a % of revenue	9.0%	2.8%	11.5%	7.4%
Adjusted EBIT as a % of value-add revenue	14.0%	4.3%	14.9%	11.2%

	2Q 2014			
	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 755	$ 523	$ 263	$ 1,541
Less: Substrate sales	285	174	56	515
Value-add revenue	$ 470	$ 349	$ 207	$ 1,026
Adjusted EBIT	$ 74	$ 19	$ 27	$ 120
Adjusted EBIT as a % of revenue	9.8%	3.6%	10.3%	7.8%
Adjusted EBIT as a % of value-add revenue	15.7%	5.4%	13.0%	11.7%

Clean Air Division – Revenue

- Clean Air VA revenue of $966M, down 6%; ex-fx up 1%
  - NA VA revenue $477M, up 1%; excluding currency up 2%:
    - Very strong growth in aftermarket revenue, including new CarQuest business
    - LV revenue was about even, impacted by lower volumes on F-150
    - Off-highway revenue essentially flat as new content on CAT and Deere programs offset a 30% decline in unit demand.
  - ESI VA revenue $301M, down 14%; excluding currency up 6%:
    - Strong LV revenue growth, including ramp-up on new programs with Land Rover (L405 and L495) and increased volumes on key platforms like VW Golf and Daimler A & B class
    - About flat commercial truck & off-highway revenue with additional content offsetting a 20% decline in unit volumes, which included a 47% decline in South America commercial truck
    - AM revenues declined due to weak market conditions in Europe
  - Asia Pacific VA revenue $188M, down 9%; excluding currency down 8%:
    - Lower LV volumes in China
    - Increasing compliance with commercial truck emission regulations despite a 33% decline in commercial truck production in the quarter

Clean Air Division – EBIT

- Total Clean Air adjusted EBIT of $108M, compared to $120M last year, including $3M in negative currency
  - NA adjusted EBIT of $67M, down 9%
  - ESI adjusted EBIT of $13M, down 32%
  - Asia Pac adjusted EBIT of $28M, up 4%
- Clean Air VA adjusted EBIT margin of 11.2%, down 50 bps driven by:
  - Higher light vehicle volumes
  - Lower commercial truck and off-highway volumes
  - Costs associated with launching new plants in the U.S. and Poland and a major plant expansion in Wales, all supporting growth on significant incremental new business. Expect sequential quarterly improvement over the next several quarters.

Ride Performance Division

$ Millions

	2Q 2015			
	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 360	$ 252	$ 57	$ 669
Less: Substrate sales	-	-	-	-
Value-add revenue	$ 360	$ 252	$ 57	$ 669
Adjusted EBIT	$ 52	$ 16	$ 9	$ 77
Adjusted EBIT as a % of value-add revenue	14.4%	6.3%	15.8%	11.5%

	2Q 2014			
	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 364	$ 280	$ 56	$ 700
Less: Substrate sales	-	-	-	-
Value-add revenue	$ 364	$ 280	$ 56	$ 700
Adjusted EBIT	$ 48	$ 18	$ 9	$ 75
Adjusted EBIT as a % of value-add revenue	13.2%	6.4%	16.1%	10.7%

Ride Performance Division – Revenue

TENNECO

- Ride Performance revenue of $669M, down 4%; ex-fx up 5%
  - NA revenue $360M, down 1%; excluding currency up 1%:
    - Strong aftermarket, including new CarQuest business, and commercial truck revenue growth
    - Offset lower LV revenue primarily due to customer downtime
  - ESI revenue $252M, down 10%; excluding currency up 10%:
    - LV growth outpacing industry production in Europe, India and South America, including our MONROE® Intelligent Suspension technologies launching and ramping up on Volvo XC90 and Renault Espace
    - Higher aftermarket revenue in South America and Europe
  - Asia Pacific revenue $57M, up 2%; ex-fx up 5%:
    - Higher China LV revenue on higher volumes on platforms with Ford, GM and Hyundai

Ride Performance Division – EBIT

- Total Ride Performance adjusted EBIT of $77M, up 3%, includes $14M in negative currency comparison
  - NA adjusted EBIT of $52M, up 8%
  - ESI adjusted EBIT of $16M, down 11%
  - Asia Pac adjusted EBIT of $9M, flat
- Ride Performance adjusted EBIT margin improved 80bps to 11.5%
  - Higher aftermarket sales in North and South America and Europe
  - Higher light vehicle volumes
  - Benefits from global product cost leadership initiatives and restructuring activities

Second Quarter Adjustments

- Restructuring and related expense of $7M pre-tax, or 10-cents per diluted share; $6M Ride Performance, $1M Clean Air
  - European cost reduction initiative update
    - In 2Q'15 recorded $3M in costs in Europe Ride Performance
    - 2Q'15 savings run rate of $9M
    - Expect to reach our targeted savings run rate during 2016. At today's exchange rates, that target converts to $55M.
- Net tax charge of $2M, or 3-cent per diluted share, for tax adjustments to prior year estimates
- On July 22, announced intention to discontinue the Marzocchi business (2Q'15 revenue of $7M)
  - Charge of ~$27M in 3Q15
  - Expect $7M improvement in results beginning 2016

Tax and Interest Expense

- Tax expense of $47M
  - Includes tax benefits of $1M on restructuring charges and an offsetting $2M of net tax expense for adjustments to prior year estimates
  - Before those 2Q items, adjusted tax expense is $46M for an effective tax rate of 32% in the quarter
  - In 2015 we continue to expect an effective tax rate in the range of 33% - 36% for the full year
- 2Q net tax payments were $35M
  - In 2015, we still expect cash taxes in the range of $150M to $175M
- Interest expense of $17M, a $2M improvement from last year as a result of our December refinancing
  - Expect annual interest expense of around $70M this year

Debt and Cash Position

$ Millions	June 30,	
	2015	2014
Total Debt[(1)]	$ 1,230	$ 1,285
Cash Balances	252	265
Net Debt	$ 978	$ 1,020

- Net debt / Adjusted EBITDA* ratio improved to 1.3x from 1.4x a year ago
- Continue to target a leverage ratio of 1.0x

* Including noncontrolling interests

(1) In April 2015, the FASB issued Accounting Standard Update 2015-03, Simplifying the Presentation of Debt Issuance Costs, which requires debt issuance costs to be presented in the balance sheet as a direct deduction from the associated debt liability. Tenneco adopted this standard for the first quarter of 2015 and applied retrospectively. The balance for unamortized debt issuance costs was $13 million and $12 million at June 30,2015 and June 30, 2014, respectively.

Cash Flow

- Cash flow from operations of $132M in the quarter, improving $18M compared to last year
  - Strong working capital management, including inventory improvements
  - Lower tax payments
- Capital expenditures of $80M, in-line with last year, to support our structural growth
  - Still expect 2015 capital investments between $300M and $320M

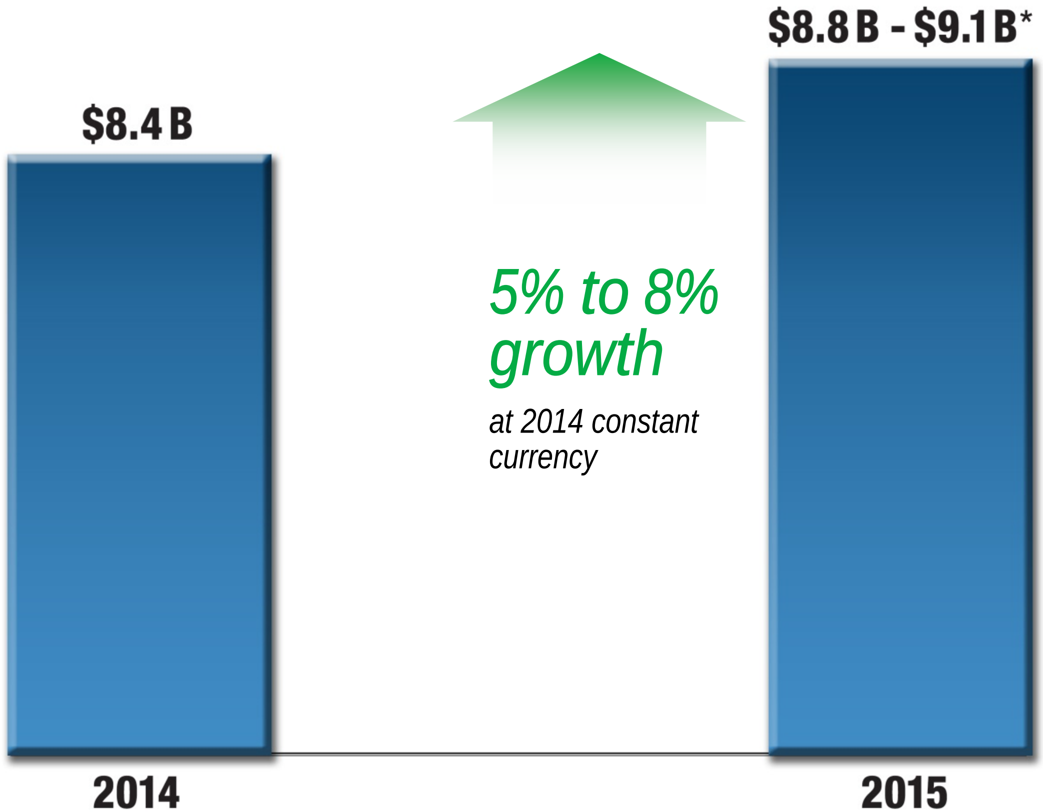
Working Capital Metrics (L3M):

	2Q'15	2Q'14	B(W)
DSO excl. factoring	62	62	-
DOH	36	37	1
DPO	71	73	(2)

- Repurchased 556,000 shares in the second quarter for $33M, year-to-date repurchased 748,000 for $44M
- Accelerating $350M share repurchase program and anticipate completing it by end of 2016 based on:
  - Operating performance
  - Industry production forecasts
  - Anticipated requirements for capital expenditures and working capital to continue to fund growth

Original 2015 Revenue Outlook - February 2, 2015

- *Expect 2015 total revenue growth of 5% to 8%, excluding currency*



Assumptions

- 3% light vehicle production growth**
- Further weakening in off-highway
- Increased commercial truck emissions regulation compliance rates in China

Currency Risk

2015 Revenue Impact	Euro	RMB	Real
(5%)	$1.20	$0.160	$0.403
(6%)	$1.15	$0.157	$0.383
(7%)	$1.10	$0.155	$0.363

* 2015 revenue at average actual 2014 currency rates

** IHS Automotive January 2015 light vehicle production forecast in the regions in which Tenneco operates

Revenue growth driven by strong structural drivers

Light Vehicle Production – YoY% Change

Major Regions	(July '15 forecast) 2Q'15	(July '15 forecast) 3Q'15	(July '15 forecast) FY'15	(Jan '15 forecast) FY'15	July Better(Worse)
North America	2%	6%	3%	3%	-
Europe	0%	5%	2%	0%	2%
South America	-17%	-14%	-15%	0%	-15%
India	6%	6%	6%	6%	-
China	2%	4%	5%	7%	-2%
Total of All Tenneco Regions*	1%	4%	2%	3%	-1%

Source: IHS Automotive production forecast

* Change in light vehicle production in all regions in which Tenneco operates.

Structural Growth: 2015 Launches – Incremental Content (Original Feb. 2, 2015)

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- Light vehicles

Clean Air

- electric exhaust valves
- SCR diesel aftertreatment systems
- fabricated manifolds

Ride Performance

- Continuously variable semi-active suspension systems

MONROE®
INTELLIGENT SUSPENSION

2015 Volvo XC90

Renault Espace

Launching light vehicle programs with higher technology content

Structural Growth: 2015 Launches – Incremental Content (Original Feb. 2, 2015)

TENNECO

- Commercial Trucks
  - Gas and diesel aftertreatment for a new medium-duty truck in NA
  - China content growth as compliance with the NS4 regulation increases
- Off-highway equipment
  - T4f and Stage 4 off-highway regulations in North America and Europe impacting construction, agriculture, forestry and mining equipment
    - Continued ramp up on platforms launched in 2014 for 175hp – 750hp diesel engines
    - New programs launching for 75hp – 174hp diesel engines
  - Launching programs for Kubota in Japan for export into North America and Europe markets for T4f and Stage 4 off-highway regulations
  - Launching business with AGCO in Europe
- New aftermarket business with CARQUEST in North America

Outlook

- In the third quarter, we expect total revenue growth of 6%, excluding currency headwind of ~7%, based on current exchange rates
  - Global industry light vehicle production forecasted up 4%*
  - Launching and ramping up on new platforms in 3Q, including Ford F-150
  - No change to the production environment for commercial truck and off-highway in 3Q. Although volumes remain weak, adding new content to meet:
    - Tier 4F and Stage 4 off-highway regulations
    - Euro 6 regulations on commercial trucks and passenger vehicles in Europe
    - Ramping up on US-10 compliant system on a medium-duty truck program
  - Expect a strong performance from the global aftermarket in 3Q
- Annual revenue growth outlook
  - Based on the revised mid-year light vehicle production forecast and further weakness in commercial truck and off-highway production, we expect to be within our guidance range with full year total revenue growth of 5%, excluding currency

*Source: IHS Automotive production forecast (July 2015)

Appendix:
Pension and OPEB

$ Millions

Pension	2012	2013	2014*	2Q'15	2015E
Defined Benefit Expense	$21	$26	$15	$4	$15
Defined Benefit Contributions	$48	$57	$46	$3	$26

OPEB	2012	2013	2014	2Q'15	2015E
Expense	$6	$3	$3	$3	$7
Cash Payments	$10	$8	$8	$3	$9

* Does not include settlement or curtailment amounts

Appendix:
Debt Compliance as of June 30, 2015

TENNECO

- Leverage ratio
  - Result: 1.36
  - Test: maintain below 3.50
- Interest coverage ratio
  - Result: 12.43
  - Test: maintain above 2.75
- EBITDA cushion of $479M against tightest covenant ratio
- Current performance would meet our tightest covenant ratios through the expiration of the senior credit facility in 2019

Adjusted SGA&E as a Percentage of Sales – Reconciliation of Non-GAAP Results

$ Millions, Unaudited

	Q2 15	Q2 14
SGA&E	$ 159	$ 181
Adjustments (reflect non-GAAP[1] measures)		
Restructuring and related expenses	(1)	(4)
Adjusted SGA&E (non-GAAP financial measures)[2]	**$ 158**	**$ 177**
Adjusted SGA&E (% of Sales)	7.4%	7.9%

(1) Generally Accepted Accounting Principles

(2) Tenneco presents the above reconciliation of GAAP to non-GAAP financial measures primarily to reflect the results 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 and other items impacting comparability between the periods. 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 financial 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 financial 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.

Tenneco's Revenue Projections

Tenneco's revenue projections are as of January 2015, and the company does not otherwise intend to update these projections until January 2016. Revenue assumptions are based on projected customer production schedules, IHS Automotive January 2015 forecasts and Power Systems Research January 2015 forecasts.

In addition to the information set forth on this slide, Tenneco's revenue projections are based on the type of information set forth under "Outlook" in Item 7 – "Management's Discussion and Analysis of Financial Condition and Results of Operations" as set forth in Tenneco's Annual Report on Form 10-K for the year ended December 31, 2014. Please see that disclosure for further information. Key additional assumptions and limitations described in that disclosure include:

- Revenue projections are based on original equipment manufacturers' programs that have been formally awarded to the company; programs where the company is highly confident that it will be awarded business based on informal customer indications consistent with past practices; and Tenneco's status as supplier for the existing program and its relationship with the customer.
- Revenue projections are based on the anticipated pricing of each program over its life.
- Revenue projections assume a fixed foreign currency value. This value is used to translate foreign business to the U.S. dollar.
- Revenue projections are subject to increase or decrease due to changes in customer requirements, customer and consumer preferences, the number of vehicles actually produced by our customers, pricing and foreign currency.