FIRST QUARTER 2016

Earnings Conference Call
April 26, 2016

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.

First Quarter Overview

$ Millions, except as noted

	1Q'16	1Q'15	B/(W)	% Change
Total Revenue	2,136	2,023	113	6%
Value-add Revenue	1,626	1,559	67	4%
Adjusted SGA&E † (% of Sales)	8.4%	8.2%	(0.2%)	-2%
Adjusted EBIT †	138	125	13	10%
Adjusted EBIT † (% of VA Revenue)	8.5%	8.0%	0.5%	6%
Adjusted EBITDA *†	189	175	14	8%
Adjusted Net Income †	67	54	13	24%
Adjusted EPS ($) †	1.17	0.88	0.29	33%
Cash Flow From Operations	(29)	(50)	21	42%
Net Debt / Adjusted LTM EBITDA*†	1.3x	1.3x	-	-

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

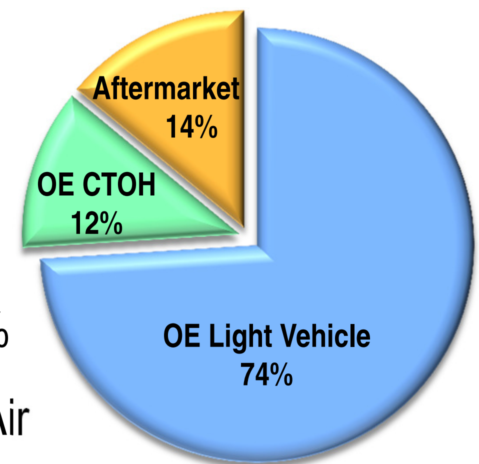
Quarter Highlights

- **We delivered a record first quarter, carrying the momentum from 2015 into 2016**
  - Revenue up 9% (ex-fx)
  - Adjusted EBIT up 20% (ex-fx)
  - 50 bps increase in VA adjusted EBIT margin
  - Adjusted net income up 24% and adjusted EPS up 33%
  - Cash flow from operations up 42%
- **Consistently building on a strong track record of solid execution, profitable growth and value creation**
  - Driven by our four structural growth drivers
    - Strength of our position on light vehicle platforms globally
    - Global emissions regulatory landscape
    - Increasing demand for electronic suspension systems
    - Growing demand for aftermarket products

Revenue

- **Total revenue \$2.136B, up 6%**
- **Excluding a 3% currency headwind, first quarter total revenue up 9% to \$2.205B**
  - OE light vehicle up 11%, led by North America, Europe, India and China, significantly exceeding LV production of 1%
  - OE commercial truck & off-highway up 1%, includes Clean Air revenue up 8% (value-add up 15%) and Ride Performance revenue down roughly in line with very weak industry production as well as reduced by the sale of the Marzocchi specialty business
  - Aftermarket up 8%, driven by strong sales in Europe, South America and North America
- **Excluding substrates and currency, revenue up 8%**
  - Clean Air up 10% and Ride Performance up 6%

1Q 2016 Total Revenue



EBIT

- **Adjusted EBIT grew 10% to $138M, excluding negative currency impact of $12M YOY, adjusted EBIT up 20%**
  - Light vehicle revenue growth outpacing industry production
  - Commercial truck and off-highway clean air content growth outpacing industry production
  - Strong aftermarket sales growth
  - Operational cost improvements
- **VA adjusted EBIT margin increased 50 bps to 8.5%**
  - 12th consecutive quarter of improved margins
  - Margins in both product lines grew significantly

Clean Air Division

$ Millions

	1Q 2016			
	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 765	$ 483	$ 267	$ 1,515
Less: Substrate sales	271	177	62	510
Value-add revenue	$ 494	$ 306	$ 205	$ 1,005
Adjusted EBIT	$ 62	$ 16	$ 33	$ 111
Adjusted EBIT as a % of revenue	8.1%	3.3%	12.4%	7.3%
Adjusted EBIT as a % of value-add revenue	12.6%	5.2%	16.1%	11.0%

	1Q 2015			
	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 684	$ 457	$ 264	$ 1,405
Less: Substrate sales	240	164	60	464
Value-add revenue	$ 444	$ 293	$ 204	$ 941
Adjusted EBIT	$ 54	$ 11	$ 28	$ 93
Adjusted EBIT as a % of revenue	7.9%	2.4%	10.6%	6.6%
Adjusted EBIT as a % of value-add revenue	12.2%	3.8%	13.7%	9.9%

Clean Air Division – Revenue

- **Clean Air VA revenue of $1,005M up 7%; ex-fx of $-29M up 10%**
  - NA VA revenue $494M, up 11%:
    - LV revenue growth of 11% on stronger volumes including ramp-up on the F-150 platform and higher volumes on the GM epsilon platform
    - Commercial truck & off-highway revenue up 20% on new Ford medium duty truck business and additional content on CAT and Deere Tier 4 final programs despite lower off-highway volumes
    - Aftermarket revenue growth of 3%
  - ESI VA revenue $306M, up 4%; excluding currency of $-20M up 11%:
    - LV revenue growth of 12% on strong production volumes including incremental launches with Jaguar, GM and Volvo and continued ramp-up on new platforms with BMW, as well as higher LV revenues in India. These drivers more than offset continuing weak industry production in South America.
    - Commercial truck & off-highway revenue up 9% primarily driven by the ramp-up on Stage 4 products and higher commercial truck volumes in Europe that more than offset the 39% decline in South America commercial truck production
  - Asia Pacific VA revenue $205M, flat; ex. currency of $-9M up 5%:
    - LV revenue up 4% primarily due to stronger China LV volumes on platforms for VW, Daimler and Fiat.
    - Commercial truck & off-highway revenue increased 16% driven by continued ramp-up of Kubota off-highway programs in Japan

Clean Air Division – EBIT

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- **Total Clean Air adjusted EBIT up 19% to $111M, including $9M in negative currency comparison**
  - NA adjusted EBIT of $62M, up 15%
  - ESI adjusted EBIT of $16M, up 45%
  - Asia Pac adjusted EBIT of $33M, up 18%
- **Clean Air VA adjusted EBIT margin of 11.0%, up 110 bps driven by:**
  - Higher light vehicle volumes in North America, Europe, India and China
  - CTOH content growth in North America and ramp up of platforms in Europe and Japan
  - Aftermarket revenue growth in North America
  - Operational cost improvements

Ride Performance Division

$ Millions

1Q 2016

	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 323	$ 237	$ 61	$ 621
Less: Substrate sales	-	-	-	-
Value-add revenue	$ 323	$ 237	$ 61	$ 621
Adjusted EBIT	$ 42	$ 10	$ 11	$ 63
Adjusted EBIT as a % of value-add revenue	13.0%	4.2%	18.0%	10.1%

1Q 2015

	North America	Europe SA & India	Asia Pacific	Total
Total Revenue	$ 331	$ 230	$ 57	$ 618
Less: Substrate sales	-	-	-	-
Value-add revenue	$ 331	$ 230	$ 57	$ 618
Adjusted EBIT	$ 35	$ 11	$ 10	$ 56
Adjusted EBIT as a % of value-add revenue	10.6%	4.8%	17.5%	9.1%

Ride Performance Division – Revenue

- **Ride Performance revenue of $621M, flat; excluding currency of $-32M up 6%**
  - NA revenue $323M, down 2%; ex. currency of $-4M down 1%:
    - Mainly due to lower volumes on commercial truck platforms
    - Offsetting 5% higher aftermarket sales driven by new business with Car Quest
  - ESI revenue $237M, up 3%; ex. currency of $-24M up 13%:
    - LV revenue growth of 16% outpaced industry production on the ramp-up of programs with Daimler and Jaguar Land Rover and on recently launched MONROE® Intelligent Suspension programs with VW, Renault and Volvo.
    - Strong aftermarket revenue growth in Europe and South America
  - Asia Pacific revenue $61M, up 7%; ex. currency of $-4M up 14%, on higher light vehicle volumes in China including on programs with VW

Ride Performance Division – EBIT

- **Total Ride Performance adjusted EBIT of $63M, up 13%, including $3M in negative currency comparison**
  - NA adjusted EBIT of $42M, up 20%
  - ESI adjusted EBIT of $10M, down 9%
  - Asia Pac adjusted EBIT of $11M, up 10%
- **Ride Performance adjusted EBIT margin of 10.1%, up 100 bps**
  - Benefits from strong light vehicle volumes in Europe, India and China and higher aftermarket sales in Europe, S. America and N. America
  - Operational cost improvements
  - Sequential cost improvement on a number of MONROE® Intelligent Suspension program launches in Europe helped support overall improvement in Ride Performance margins
    - Expect these launch costs to continue to sequentially improve
  - Partially offset by continued significant market weakness in South America

First Quarter Adjustments

- **Restructuring and related expense of $14M pre-tax, or 23-cents per diluted share, for ongoing cost improvement initiatives in Ride Performance product line**
  - $12M related to the European cost reduction initiative, including $5M of asset write-downs related to the sale of the Gijon plant
    - European cost reduction initiative – final update
      - During 1Q'16 we reached an annualized savings run rate of $49M. With the disposition of Gijon completed at quarter end, the annualized run rate will essentially reach our target.
  - $2M of headcount reduction costs in South America

- **Net tax benefit of $3M, or 5-cents per diluted share, for tax adjustments to prior year estimates**

Tax Expense

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- **Tax expense of $34M**
  - Includes tax expense of $1M on restructuring and related costs and a tax benefit of $3M for adjustments to prior year estimates
  - Before those 1Q items, adjusted tax expense is $38M
    - Effective tax rate of 32% in the quarter
  - 1Q cash tax payments were $21M
- **2016 tax expectations (no change)**
  - Effective tax rate before adjustments of between 31% to 32%
    - Structural changes completed to reduce our ongoing tax rate
  - Cash taxes between $140M and $160M

Debt and Cash Position

$ Millions

	March 31,	
	2016	2015
Total Debt	$ 1,408	$ 1,272
Cash Balances	376	288
Net Debt	$ 1,032	$ 984

- **1Q16 interest expense of $18M**
  - For 2016, still expect annual interest expense of about $75M
- **Net debt / Adjusted LTM EBITDA* ratio was 1.3x at the end of the quarter, even with a year ago**

* Including noncontrolling interests

Cash Flow

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- **Cash used from operations of $29M in the quarter, a 42% improvement from last year**
  - Higher earnings
  - Continued strong working capital management

Working Capital Metrics (L3M):

	1Q'16	1Q'15	B(W)
DSO excl. factoring	63	64	1
DOH	38	38	-
DPO	74	74	-

- **Capital expenditures of $59M in the quarter primarily to support new programs in Europe, North America and China**
  - For full year 2016, expect capital expenditures of about $330M
- **Repurchased 360,000 shares in 1Q for $16M**
  - Since we announced the buyback at the beginning of 2015, we have repurchased 4.6 million shares for $229M
  - Remaining authorization of $321M which we expect to complete by the end of 2017

Industry Production – YoY% Change

Major Regions	1Q'16	2Q'16	FY'16
North America	4%	4%	3%
Europe	2%	5%	3%
South America	-27%	-16%	-15%
India	8%	6%	8%
China	4%	7%	5%
Aggregate Industry Production	1%	4%	3%

Source: IHS Automotive Apr. 2016 global light vehicle production forecast, Power Systems Research (PSR) Apr. 2016 global commercial truck & bus forecast, PSR off-highway engine production in U.S. and Europe and Tenneco estimates.

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Outlook

- **In 2Q we expect to outpace industry production by 2 percentage points resulting in total revenue growth of 6%, excluding currency**
  - 2Q forecasted aggregate industry production growth of 4%* (LV +4%*, CTOH -1%*)
  - Solid contribution from the global aftermarket
  - Commercial truck & off-highway revenue expected roughly in line with industry production
    - Clean Air up on incremental content
    - Ride Performance more in line with production and will continue to reflect the sale of the Marzocchi specialty business
  - Based on current exchange rates, anticipate no significant currency headwinds in 2Q
- **Full year revenue guidance revised up -- now expect full year revenue to outgrow industry production by 3 percentage points (previously 2%)**
  - Expect full year revenue growth of 6%, excluding currency, based on forecasted aggregate industry production growth of 3%* in 2016
- **Expect continued margin expansion in 2Q and for full year 2016**
- **Continue to expect accelerating revenue growth in 2017 and 2018 (no change)**

* Source: IHS Automotive Apr. 2016 global light vehicle production forecast, Power Systems Research (PSR) Apr. 2016 global commercial truck & bus forecast, PSR off-highway engine production in U.S. and Europe and Tenneco estimates.

Delivering Growth Exceeding Industry Production in 2016

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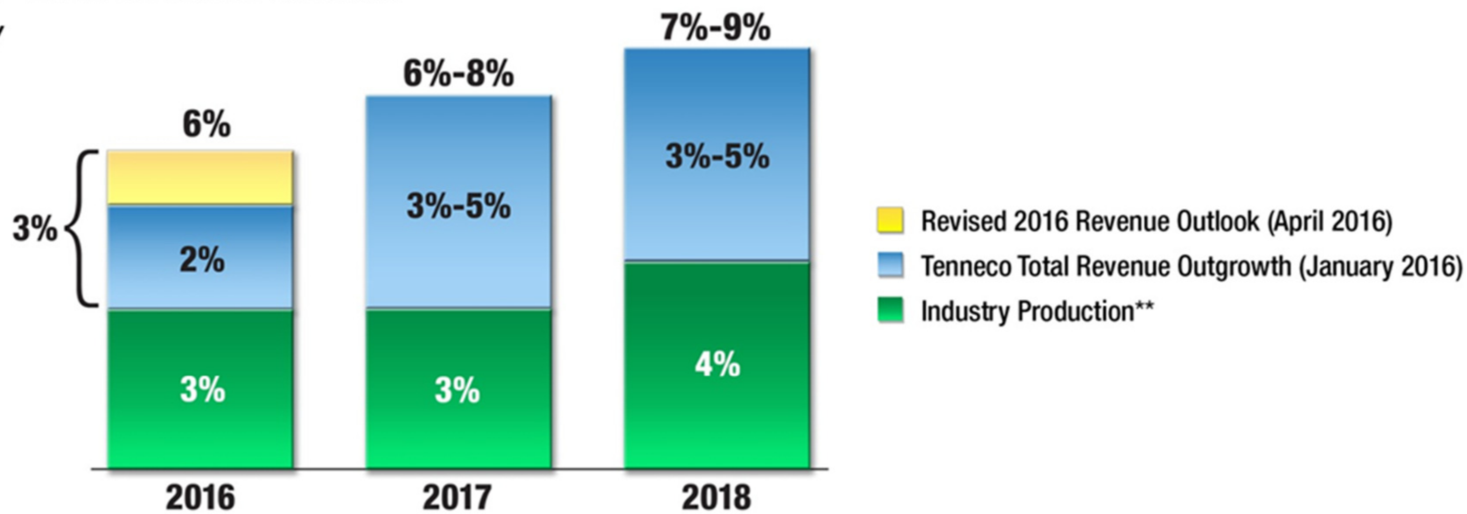
- ***Light Vehicle Revenue Drivers***
  - Incremental Clean Air revenue from 2015 new launches with Daimler, Jaguar Land Rover, Porsche, GM and Nissan, and from new platform launches in 2016, including with Jaguar Land Rover, GM, VW and Ford
  - Incremental revenue from MONROE® Intelligent Suspension programs with four new launches in 2016 and the benefit from the continued ramp up on programs launched in 2015, including the Volvo XC90 and Ford Focus RS
- ***Commercial Truck and Off-Highway Revenue Drivers***
  - Benefit from mid-year 2015 launches for Kubota off-highway equipment and Ford medium-duty commercial trucks in North America
  - Remaining content additions for 2015 off-highway Tier 4f and Stage 4 regulations in North America and Europe
  - Increasing market share with commercial truck customers in China
  - Initial launches with India commercial truck customers as BS IV begins in 50 cities

2016 – 2018 Revenue Outgrowth

Tenneco 2016 - 2018 Revenue Outlook

Constant currency



	2016	2017	2018
Aggregate Industry Production**	**3%**	**3%**	**4%**
includes: Light Vehicle Production	3%	3%	4%
Commercial Truck and Off-highway Production	-1%	1%	3%

** IHS Automotive Dec. 2015 global light vehicle production forecast, Power Systems Research (PSR) Dec. 2015 global commercial truck & bus forecast, PSR off-highway engine production in U.S. and Europe and Tenneco estimates.

See slide 24 for further key assumptions related to our revenue projections.

Appendix: Commercial Truck, Off-Highway and Other Revenue Details

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$ Millions, Unaudited

	Q1 2016		Q1 2015	
	Revenue	Value-add Revenue	Revenue	Value-Add Revenue
Clean Air Division				
North America	$ 92	$ 66	$ 86	$ 55
Europe, South America & India	73	44	73	44
Asia Pacific	35	21	31	19
Total Clean Air Division	**$ 200**	**$ 131**	**$ 190**	**$ 118**

Appendix:
Pension and OPEB

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$ Millions

Pension	2013	2014	2015	1Q'16	2016E
Defined Benefit Expense	$26	$15*	$15	$3	$15*
Defined Benefit Contributions	$57	$46	$25	$4	$42

OPEB	2013	2014	2015	1Q'16	2016E
Expense	$3	$3	$8	$2	$9
Cash Payments	$8	$8	$9	$2	$9

* Does not include settlement or curtailment amounts

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

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$ Millions, Unaudited

	Q1 16	Q1 15
SGA&E	$ 186	$ 166
Adjustments (reflect non-GAAP[1] measures)		
Restructuring and related expenses	(6)	(1)
Adjusted SGA&E (non-GAAP financial measures)[2]	$ 180	$ 165
Adjusted SGA&E (% of Sales)	8.4%	8.2%

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 for 2016 are as of April 2016. Revenue assumptions are based on projected customer production schedules, IHS Automotive April 2016 forecasts and Power Systems Research April 2016 forecasts.

Tenneco's revenue projections for 2017 and 2018 are as of January 2016. Revenue assumptions are based on projected customer production schedules, IHS Automotive December 2015 forecasts and Power Systems Research January 2016 forecasts.

In addition to the information set forth on this slide and slide 20, 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, 2015. 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, and pricing.