TENNECO

FOURTH QUARTER AND FULL YEAR 2016

Earnings Conference Call
February 7, 2017

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.

Fourth Quarter Overview

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$ Millions, except as noted	4Q'16	4Q'15	B/(W)	% Change
Total Revenue	2,155	2,031	124	6%
Value-add Revenue Δ	1,640	1,549	91	6%
EBIT	75	128	(53)	-41%
EBIT (% of VA Revenue)	4.6%	8.3%	-3.7%	-45%
Adjusted EBIT †	157	148	9	6%
Adjusted EBIT † (% of VA Revenue)	9.6%	9.6%	0%	0%
Adjusted EBITDA *†	209	197	12	6%
Net Income	40	68	(28)	-41%
EPS ($)	$0.73	$1.17	$(0.44)	-38%
Adjusted Net Income †	92	80	12	15%
Adjusted EPS ($) †	$1.67	$1.39	$0.28	20%
Cash Flow From Operations	250	329	(79)	-24%
Net Debt / Adjusted LTM EBITDA*†	1.2x	1.2x	-	0%

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

Δ Value-add Revenue is total revenue less substrate sales.

2016 Overview

$ Millions, except as noted	2016	2015	B/(W)	% Change
Total Revenue	8,599	8,209	390	5%
Value-add Revenue Δ	6,571	6,293	278	4%
EBIT	528	519	9	2%
EBIT (% of VA Revenue)	8.0%	8.2%	-0.2%	-2%
Adjusted EBIT †	636	586	50	9%
Adjusted EBIT † (% of VA Revenue)	9.7%	9.3%	0.4%	4%
Adjusted EBITDA *†	844	785	59	8%
Net Income	363	247	116	47%
EPS ($)	$6.44	$4.11	$2.33	57%
Adjusted Net Income †	347	293	54	18%
Adjusted EPS ($) †	$6.15	$4.87	$1.28	26%
Cash Flow From Operations	489	517	(28)	-5%
Net Debt / Adjusted EBITDA*†	1.2x	1.2x	-	0%

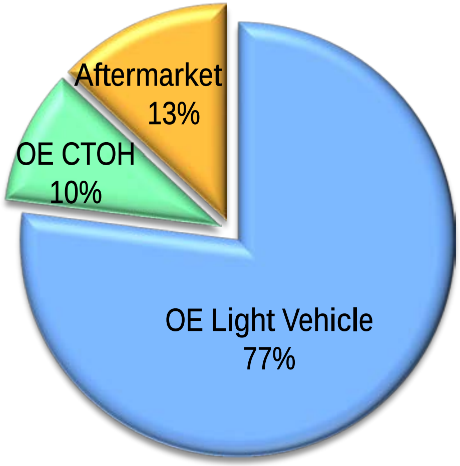
* Including noncontrolling interests.
† Adjusted for restructuring activities, pension charges, refinancing costs and tax adjustments.

Δ Value-add Revenue is total revenue less substrate sales.

4Q Revenue

- Total revenue $2.155B, up 6%
- In constant currency, total revenue up 9% to $2.212B
  - OE light vehicle up 13%, with growth in most regions and up almost double global LV production growth of 7%
  - OE commercial truck & off-highway down 7%;
    - Commercial truck revenue up 8%, compared to industry commercial truck production decline of 3%
    - Off-highway revenues down significantly as previously guided due to continued industry weakness in North America and Europe
    - Comparison includes the sale of the Marzocchi specialty business last year
  - Aftermarket up 1% compared to last year
- In constant currency, value-add revenue up 9%
  - Clean Air up 9%; Ride Performance up 8%

4Q 2016 Total Revenue



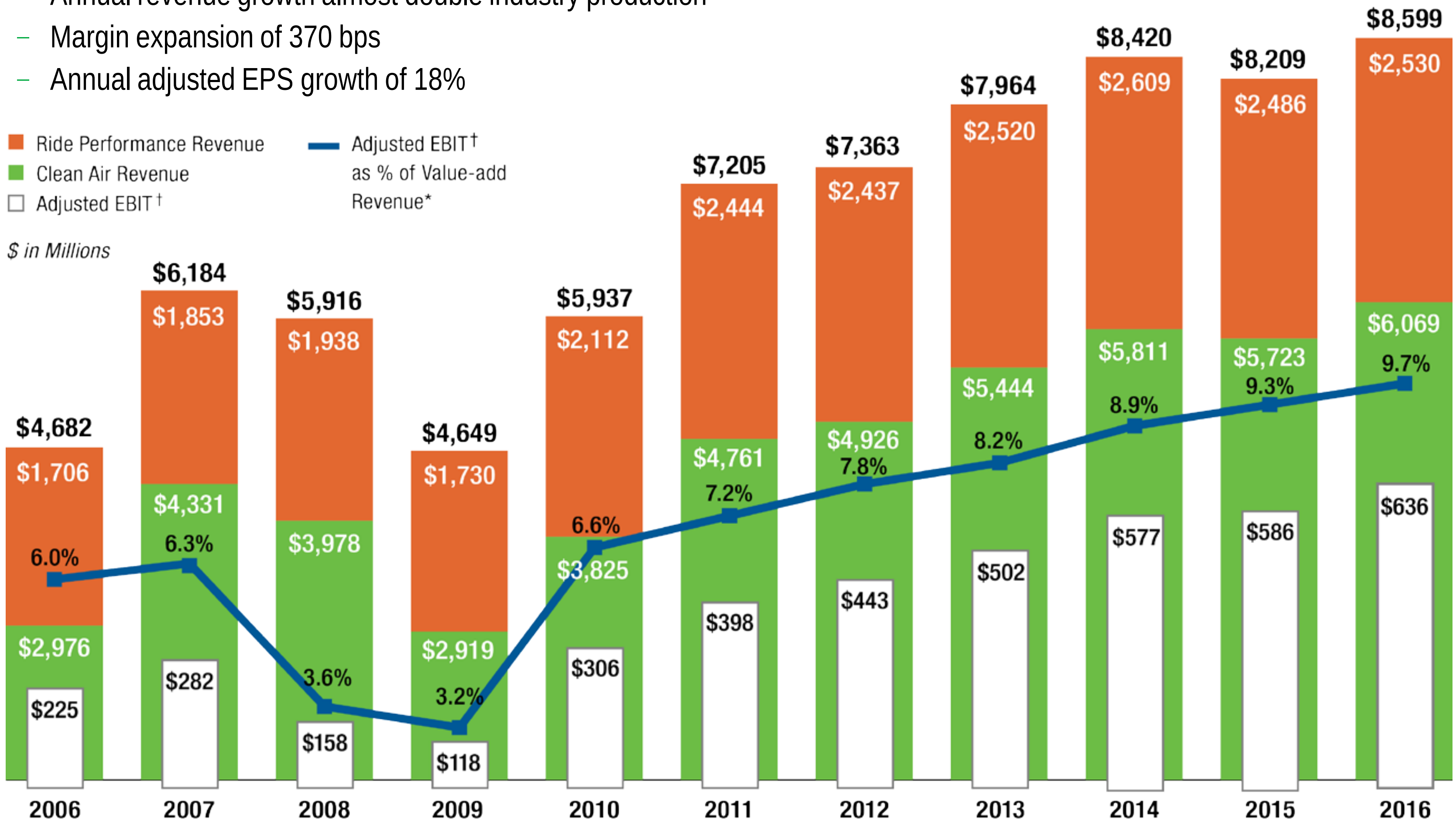
4Q EBIT

- Adjusted EBIT $157M, up 6% including negative currency comparison of $10M
  - Light vehicle revenue growth outpacing industry production
  - Added technology content in both product lines
  - Higher aftermarket sales
  - Benefited from continuous improvement activities, focused on launch and manufacturing operations

- VA adjusted EBIT margin 9.6%, in-line with last year
  - Another quarter of strong margins

Strong Foundation for Continued Growth

- Since 2006, Tenneco has delivered:
  - Annual revenue growth almost double industry production
  - Margin expansion of 370 bps
  - Annual adjusted EPS growth of 18%



Seven-year record of value-add adjusted EBIT margin improvement

* Value-add Revenue is total revenue less substrate sales. See slide 29 for further explanation.

† See reconciliations to U.S. GAAP at end of presentation.

Balanced Customer Mix

As a % of Total 2016 Revenue

● LV Customer ■ Commercial Truck, Off-Hwy & Other Customer ▲ AM Customer

%	Customer	Type
16.6%	GM	●
13.0%	Ford	● ■
7.8%	VOLKSWAGEN AKTIENGESELLSCHAFT	● ■
5.9%	DAIMLER	● ■
4.8%	FCA FIAT CHRYSLER AUTOMOBILES	●
4.3%	JAGUAR LAND-ROVER TATA MOTORS	● ■
4.2%	SAIC MOTOR	● ■
4.0%	FAW	● ■
3.9%	TOYOTA	●
2.3%	CATERPILLAR	■
1.9%	JOHN DEERE	■
1.7%	Advance Auto Parts	▲
1.5%	RENAULT	●
1.5%	BMW	● ■
1.5%	NAPA	▲
1.5%	BAIC	●
1.4%	O'Reilly AUTO PARTS	▲
1.4%	NISSAN	●
1.3%	CHANGAN	●
1.0%	GEELY	●

Full Year 2016 Highlights

- We delivered another year of record results
- Highest-ever full year:
  - Revenue
  - Reported and adjusted EBIT
  - Reported and adjusted net income
  - Reported and adjusted earnings per share
- Seventh consecutive year of value-add adjusted EBIT margin improvement

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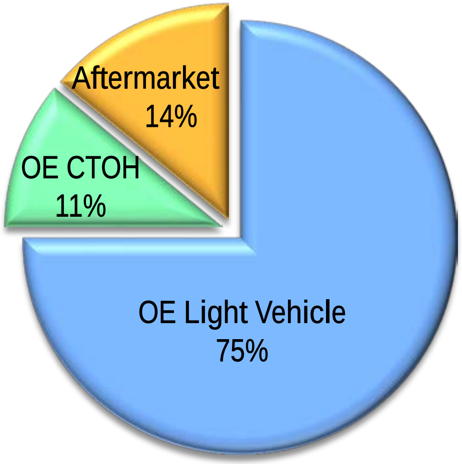
2016 Revenue

2016 Total Revenue



- Total revenue $8.599B, up 5%
- In constant currency, total revenue up 7% to $8.819B
  - OE light vehicle up 10%, double global LV production growth of 5%
  - OE commercial truck & off-highway down 4%;
    - Clean Air revenue up 2% with content gains in 1H'16 mostly offset by 2H'16 lower off-highway volumes in North America and Europe
    - Ride Performance revenue, excluding the sale of the Marzocchi specialty business ($26M), was down 10% on weak commercial truck production in NA and Europe
  - Aftermarket up 2% compared to last year
- In constant currency, value-add revenue up 7%
  - Clean Air up 9%; Ride Performance up 5%

2016 EBIT

- Adjusted EBIT $636M, up 9% including negative currency comparison of $33M
- VA adjusted EBIT margin 9.7%, up 40 bps vs. last year
  - Incremental Clean Air content on light vehicle and commercial truck and off-highway programs
  - Added Ride Performance content from Monroe ® Intelligent Suspension programs
  - Higher aftermarket sales
  - Continued leverage of stronger light vehicle volumes and ongoing operational improvement activities

Capital Allocation Priorities to Drive Shareholder Value

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- ✓ 1. Fund organic growth
- ✓ 2. Restructuring activities to improve cost competitiveness
- ✓ 3. Balance sheet strength consistent with target leverage ratio of 1x

Well-positioned with options and flexibility to pursue:

4. Strategic opportunities

Core sciences foundation, technology, customer, geographic and aftermarket growth opportunities

5. Capital returns to shareholders

Share repurchases and/or dividends out of free cash flow

Feb. 1, 2017, initiated quarterly dividend of $0.25, payable on March 23, 2017

Board authorized additional repurchase program; in total, can buyback up to $400M over next 3 years

Industry Production – YoY% Change

Major Regions	4Q’16	FY’16	1Q’17	FY’17
North America	1%	2%	3%	-2%
Europe	3%	3%	6%	1%
South America	5%	-10%	-2%	1%
India	12%	10%	-6%	5%
China	15%	14%	3%	0%
Global Industry Production	7%	5%	3%	1%

Source: IHS Automotive January 2017 global light vehicle production forecast and Tenneco estimates

Results by Product Line

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$ Millions

4Q 2016	Clean Air: North America	Clean Air: Europe SA & India	Clean Air: Asia Pacific	Clean Air: Total	Ride Performance: North America	Ride Performance: Europe SA & India	Ride Performance: Asia Pacific	Ride Performance: Total
Total Revenue	$ 751	$ 491	$ 300	$ 1,542	$ 282	$ 248	$ 83	$ 613
Less: Substrate sales	260	187	68	515	-	-	-	-
Value-add revenue	$ 491	$ 304	$ 232	$ 1,027	$ 282	$ 248	$ 83	$ 613
Adjusted EBIT	$ 53	$ 29	$ 44	$ 126	$ 30	$ 9	$ 19	$ 58
Adjusted EBIT as a % of revenue	7.1%	5.9%	14.7%	8.2%	10.6%	3.6%	22.9%	9.5%
Adjusted EBIT as a % of value-add revenue	10.8%	9.5%	19.0%	12.3%	10.6%	3.6%	22.9%	9.5%

4Q 2015	Clean Air: North America	Clean Air: Europe SA & India	Clean Air: Asia Pacific	Clean Air: Total	Ride Performance: North America	Ride Performance: Europe SA & India	Ride Performance: Asia Pacific	Ride Performance: Total
Total Revenue	$ 701	$ 454	$ 294	$ 1,449	$ 292	$ 226	$ 64	$ 582
Less: Substrate sales	247	164	71	482	-	-	-	-
Value-add revenue	$ 454	$ 290	$ 223	$ 967	$ 292	$ 226	$ 64	$ 582
Adjusted EBIT	$ 65	$ 18	$ 36	$ 119	$ 30	$ 9	$ 12	$ 51
Adjusted EBIT as a % of revenue	9.3%	4.0%	12.2%	8.2%	10.3%	4.0%	18.8%	8.8%
Adjusted EBIT as a % of value-add revenue	14.3%	6.2%	16.1%	12.3%	10.3%	4.0%	18.8%	8.8%

Clean Air – Revenue

- Clean Air VA revenue of $1,027M up 6%; in constant fx up 9%
  - NA VA revenue $491M, up 8%
    - LV revenue growth of 16% driven primarily by higher volumes on GM SUVs and sedans, as well as several pickup platforms including Ford Super Duty, Nissan Titan and Toyota Tundra
    - Commercial truck & off-highway revenue down 26% on significantly lower off-highway volumes slightly offset by higher volumes on Ford medium duty commercial trucks
  - ESI VA revenue $304M, up 5%; in constant currency up 10%:
    - LV revenue growth of 15%, primarily on new platforms in Europe including Mercedes E-class, Renault X82 Van, Chevy Cruz, Opel Astra and Jaguar F-pace crossover, as well as higher volumes in South America and India; all regions outpacing industry production
    - Commercial truck & off-highway revenue down 7% with lower commercial truck and off-highway volumes in Europe offsetting the initial ramp of BS IV on-road commercial truck products in India
  - Asia Pacific VA revenue $232M, up 4%; in constant currency up 10%:
    - LV revenue up 6% on higher volumes in China and ramp-up on a number of platforms including new launches with SVW, Beijing/Mercedes, Volvo and FAW
    - Commercial truck & off-highway revenue up 45%; mainly China commercial truck volumes

Clean Air – EBIT and Margin

- Clean Air adjusted EBIT $126M, up 6% including $6M in negative currency comparison

- Clean Air VA adjusted EBIT margin of 12.3%, even with a record 4Q last year and sequentially better than 3Q
  - Higher light vehicle volumes in North America, Europe, South America, India and China
  - New platforms and operational cost improvements in Europe and China
  - Strong commercial truck volumes in China
  - Offsetting impact of lower commercial truck and off-highway production in North America and Europe

Ride Performance – Revenue

- Ride Performance revenue of $613M, up 5%; in constant currency up 8%
  - NA revenue $282M, down 3%; in constant currency down 2%
    - LV revenue down 4% primarily due to retired platforms
    - Commercial truck down 13% on lower production volumes
    - Aftermarket sales up 2%
  - ESI revenue $248M, up 10%; in constant currency up 12%:
    - LV revenue growth of 21% on increased volumes on Europe programs with Jaguar, VW, Volvo and Renault, as well as continued content growth on MONROE ® Intelligent Suspension programs with VW, Renault and Ford; all three regions outpaced industry production
    - CTOH down due to the sale of the Marzocchi specialty business ($6M in 4Q'15)
    - Aftermarket revenue growth of 6% driven by strength in South America
  - Asia Pacific revenue $83M, up 30%; in constant currency up 39% with LV revenue growth of 43% on strong volumes in China on new or ramping platforms with Beijing Hyundai, SVW and SGM

Ride Performance – EBIT and Margin

- Ride Performance adjusted EBIT $58M, up 14% including $4M in negative currency comparison

- Adjusted EBIT margin of 9.5%, up 70 bps
  - Driven by higher light vehicle volumes in Europe, South America, India and China
  - Technology content on our advanced suspension programs
  - Higher aftermarket sales in North and South America
  - Operational cost improvements

Fourth Quarter Adjustments

- Net tax benefit of $4M, or 9-cents per diluted share, for tax adjustments to prior year estimates
- Restructuring and related expense of $10M pre-tax, or 18-cents per diluted share
  - Primarily related to headcount reduction and cost improvement initiatives in Europe and headcount reductions in Australia
    - Clean Air – Europe $1M; Australia $3M
    - Ride Performance – Europe $3M; Australia $1M
    - Other $2M
- Pension buyout charges of $72M pre-tax

Pension Liability Reduction

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- In the quarter we substantially completed another voluntary pension buyout program, with a 55% participation rate from active employees and retirees with earned benefits in the U.S. pension plan
  - In 4Q, a cash payment of $131M was made from pension plan assets, including additional contribution of $18M in the quarter
  - 4Q non-cash charge of $72M was recorded
  - Expect to complete the program in 1Q'17 (additional contribution of $9M; non-cash charge of $6M)
  - Still expect around a 50% reduction in the U.S. pension liability when program complete

Pension	2013	2014	2015	4Q'16	2016	2017E
Defined Benefit Expense	$26	$15*	$15	$1	$11*	$15*
Defined Benefit Contributions	$57	$46	$25	$26	$38	$32

OPEB	2013	2014	2015	4Q'16	2016	2017E
Expense	$3	$3	$8	$3	$10	$10
Cash Payments	$8	$8	$9	$3	$9	$10

* Does not include settlement or curtailment amounts

Tax Expense and Noncontrolling Interests

- Tax benefit of $2M
  - Includes tax benefit of $1M on restructuring and related costs and $25M on pension charges, as well as a net tax benefit of $4M for tax adjustments to prior year estimates
  - Before those 4Q items, adjusted tax expense is $28M
    - Effective tax rate of 20% in the quarter; 27% for full year 2016
  - 4Q cash tax payments were $25M; Full year 2016 $113M
- 2017 tax expectations
  - Expect a full year effective tax rate between 29% and 31%
  - Expect cash taxes in the range of $125M to $140M
- Net income attributable to noncontrolling interests was $21M in 4Q, up $6M compared to last year and up $4M sequentially
  - Noncontrolling interests are driven by growth in China JVs and 4Q is seasonally the highest production quarter in China

Debt and Cash Position

$ Millions

	December 31,	
	2016	2015
Total Debt	$ 1,384	$ 1,210
Cash Balances	349	288
Net Debt	$ 1,035	$ 922

- 4Q16 interest expense of $16M
  - Full year 2016 adjusted interest expense of $68M, excluding $24M of debt refinancing charges earlier in the year
- For 2017, expect annual interest expense of about $70M
- Net debt / Adjusted LTM EBITDA* ratio was 1.2x at the end of the year, even with a year ago

* Including noncontrolling interests.

Cash Flow

- Cash generated from operations of $250M in the quarter
- Full year cash generated from operations of $489M, compared to $517M last year
  - More that 90% of our year-over-year revenue increase occurred in the last part of Q4, resulting in increased accounts receivable of roughly $100M at year end and increasing days sales outstanding by 4 days
- Additional pension contribution of $18M for buyout program in Q4
- Capital expenditures of $129M in the quarter and $343M for full year 2016, primarily to support new programs in North America, Europe and China
  - For full year 2017, we expect capital expenditures between $360M and $390M

Working Capital Metrics (L3M):

	4Q'16	4Q'15	B(W)
DSO excl. factoring	61	57	(4)
DOH	37	36	(1)
DPO	75	73	2

Dividends and Share Repurchases

- Repurchased 1.4 million shares in 4Q for $79M
  - Since announcing buyback at the beginning of 2015, we have repurchased 8.4 million shares for $438M, representing 14% of shares outstanding at that time, leaving $112M remaining on the previous $550M authorizations
- On February 1, our Board initiated a quarterly cash dividend of $0.25, initial dividend payable on March 23, 2017 to shareholders of record as of March 7, 2017
- Additionally, the Board authorized the repurchase of up to $400M over the next 3 years, including the amount remaining on previous authorizations

First Quarter and FY 2017 Outlook

- In 1Q we expect revenue growth of 7%, assuming constant currency, outpacing light vehicle industry production by 4 percentage points
  - Light vehicle industry production forecasted to grow 3%*
  - Better than industry performance will be driven by organic content growth
  - Expect a solid contribution from the global aftermarket
  - Anticipate a currency headwind of approximately 2% based on current currency exchange rates
- For the full year we expect revenue growth to outpace light vehicle industry production by 4 percentage points for total revenue growth of 5%, assuming constant currency and LV production growth of 1%*
- Expect to continue our annual margin improvement in 2017
- In 2018 and 2019 we expect continued revenue growth, outpacing industry production by 3 to 5 percentage points each year

*Source: IHS Automotive January 2017 global light vehicle production, Power Systems Research (PSR) January 2017 global commercial truck and bus production, PSR off-highway engine production in North America and Europe and Tenneco estimates.

Revenue Outlook (cont'd)

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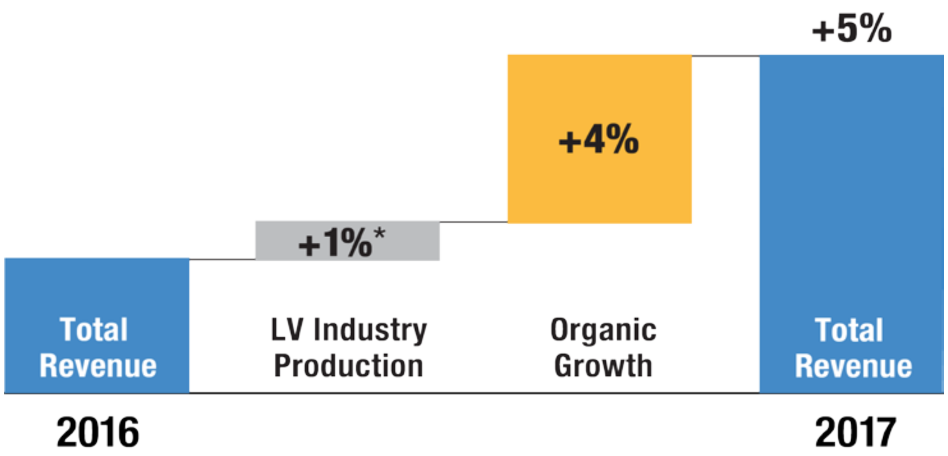
2017 Revenue Outlook (in 2016 constant currency)

Expect to outpace industry production by 4%, with contributions from both product lines



2017 Assumptions

- Global commercial truck production +2%**
- Off-highway engine production in regulated regions +2%** (NA and Europe)
- Organic growth is net of OE price downs

2018-2019 Revenue Outlook

Expect to outpace industry production by 3%-5%

- Outstanding platform position
- Tightening criteria pollutant emissions regulations
- Increasing demand for advanced suspension systems
- Global aftermarket leadership

2017 Currency Sensitivity

Impact vs. 2016	Euro/USD	RMB/USD	Real/USD
-	1.10	0.150	0.291
(2.5%)	1.05	0.143	0.278
(5.0%)	1.00	0.136	0.265

* IHS Automotive January 2017 global light vehicle production and Tenneco estimates.

** Power Systems Research (PSR) January 2017 global commercial truck and bus production, PSR off-highway engine production in North America and Europe and Tenneco estimates.

See slide 28 for further key assumptions related to our revenue projections.

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

$ Millions, Unaudited

	2016									
	Q1		Q2		Q3		Q4		FY	
	Revenues	Value-add Revenues	Revenues	Value-Add Revenues	Revenues	Value-add Revenues	Revenues	Value-add Revenues	Revenues	Value-add Revenues
Clean Air Division										
North America	$ 92	$ 66	$ 86	$ 58	$ 63	$ 41	$ 60	$ 38	$ 301	$ 203
Europe, South America & India	73	44	79	49	64	40	58	36	274	169
Asia Pacific	35	21	36	22	33	21	44	27	148	91
Total Clean Air Division	$ 200	$ 131	$ 201	$ 129	$ 160	$ 102	$ 162	$ 101	$ 723	$ 463

	2015									
	Q1		Q2		Q3		Q4		FY	
	Revenues	Value-add Revenues	Revenues	Value-Add Revenues	Revenues	Value-add Revenues	Revenues	Value-add Revenues	Revenues	Value-add Revenues
Clean Air Division										
North America	$ 86	$ 55	$ 87	$ 56	$ 81	$ 54	$ 76	$ 50	$ 330	$ 215
Europe, South America & India	73	44	75	44	65	39	68	41	281	168
Asia Pacific	31	19	26	16	31	20	31	20	119	75
Total Clean Air Division	$ 190	$ 118	$ 188	$ 116	$ 177	$ 113	$ 175	$ 111	$ 730	$ 458

Appendix:

Tenneco’s Revenue Projections

Tenneco’s revenue outlook for 2017 is as of January 2017. Revenue assumptions are based on projected customer production schedules, IHS Automotive January 2016 forecasts, Power Systems Research January 2017 forecasts and Tenneco estimates.

Tenneco’s revenue outlook for 2018 and 2019 is as of January 2017. Revenue assumptions are based on projected customer production schedules, IHS Automotive January 2016 forecasts, Power Systems Research January 2017 forecasts and Tenneco estimates.

In addition to the information set forth on this slide and slide 26, 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.

Adjusted EBIT as a Percentage of Value-Add Revenue – Reconciliation of Non-GAAP Results

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$ Millions	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Ride Performance revenue	$ 2,530	$ 2,486	$ 2,609	$ 2,520	$ 2,437	$ 2,444	$ 2,112	$ 1,730	$ 1,938	$ 1,853	$ 1,706
Clean Air revenue	$ 6,069	$ 5,723	$ 5,811	$ 5,444	$ 4,926	$ 4,761	$ 3,825	$ 2,919	$ 3,978	$ 4,331	$ 2,976
Total revenue	$ 8,599	$ 8,209	$ 8,420	$ 7,964	$ 7,363	$ 7,205	$ 5,937	$ 4,649	$ 5,916	$ 6,184	$ 4,682
Less: Substrate sales	2,028	1,916	1,934	1,835	1,660	1,678	1,284	966	1,492	1,673	927
Value-add revenues (1)	$ 6,571	$ 6,293	$ 6,486	$ 6,129	$ 5,703	$ 5,527	$ 4,653	$ 3,683	$ 4,424	$ 4,511	$ 3,755
EBIT	$ 528	$ 519	$ 492	$ 424	$ 428	$ 379	$ 281	$ 92	$ (3)	$ 252	$ 196
Adjustments (reflect non-GAAP (2) measures)											
Restructuring and related expenses	36	63	49	78	13	8	19	21	40	25	27
Pullman recoveries	-	-	-	-	(5)	-	-	-	-	-	-
Asset impairment charge	-	-	-	-	7	-	-	-	-	-	-
Goodwill impairment	-	-	-	-	-	11	-	-	114	-	-
Bad debt charge	-	-	4	-	-	-	-	-	-	-	-
Pension/post retirement charges	72	4	32	-	-	-	6	-	-	-	(7)
Environmental reserves	-	-	-	-	-	-	-	5	-	-	-
New aftermarket customer changeover costs	-	-	-	-	-	-	-	-	7	5	6
Reserve for receivables from former affiliate	-	-	-	-	-	-	-	-	-	-	3
Adjusted EBIT (non-GAAP Financial Measures)(3)	$ 636	$ 586	$ 577	$ 502	$ 443	$ 398	$ 306	$ 118	$ 158	$ 282	$ 225
Adjusted EBIT as a % of value-add revenue(4)	9.7%	9.3%	8.9%	8.2%	7.8%	7.2%	6.6%	3.2%	3.6%	6.3%	6.0%

1) Tenneco presents the above reconciliation of revenues in order to reflect value-add revenues separately from substrate sales, which include precious metals pricing, which may be volatile. Substrate sales occur when, at the direction of its customers, Tenneco purchases catalytic converters or components thereof from suppliers, uses them in its manufacturing processes and sells them as part of the completed system. While Tenneco original equipment customers assume the risk of this volatility, it impacts reported revenue. Excluding substrate sales removes this impact. Tenneco uses this information to analyze the trend in revenues before this factor. Tenneco believes investors find this information useful understanding period to period comparisons in the company's revenues.
2) Generally Accepted Accounting Principles
3) Tenneco presents the above reconciliation of GAAP to non-GAAP earnings 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 earnings measures to analyze earnings would have material limitations because its calculation is based on the subjective determinations of management regarding the nature and classification of events and circumstances that investors may find material. Management compensates for these limitations by utilizing both GAAP and non-GAAP earnings measures reflected above to understand and analyze the results of the business. The company believes investors find the non-GAAP information helpful in understanding the ongoing performance of operations separate from items that may have a disproportionate positive or negative impact on the company's financial results in any particular period.
4) Tenneco presents adjusted EBIT as a percentage of value-add revenue to assist investors in evaluating our company's operational performance without the impact of substrate sales.

Adjusted Earnings Per Share – Reconciliation of Non-GAAP Results

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	2016	2006
Earnings Per Share	$ 6.44	$ 1.05
Adjustments (reflects non-GAAP measures):		
Restructuring and related expenses	0.57	0.39
Pension / post retirement charges	0.83	(0.10)
New aftermarket customer changeover costs	-	0.08
Reserve for receivables from former affiliate	-	0.04
Costs related to refinancing	0.27	-
Net tax adjustments	(1.96)	(0.31)
Adjusted Earnings Per Share	$ 6.15	$ 1.15