

TENNECO AUTOMOTIVE
ANNUAL REPORT 2002

TENNECO
Automotive

OUR MISSION IS

GO

CORPORATE PROFILE Tenneco Automotive 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 Automotive markets its products principally under the Monroe®, Walker®, Gillet®, and Clevite® Elastomers brand names. Leading manufacturers worldwide use our products in their vehicles, attracted principally by our groundbreaking advanced technologies. We are one of the top suppliers to the automotive aftermarket, offering exceptionally strong brand recognition among consumers and trade personnel. ▶▶ Tenneco Automotive employs approximately 19,600 people worldwide.

MISSION Tenneco Automotive's mission is to delight our customers as the number-one technology-driven, global manufacturer and marketer of value-differentiated ride control, emission control and elastomer products and systems. ▶▶ We will strengthen our leading position through a shared-value culture of employee involvement, where an intense focus on continued improvement delivers shareholder value in everything we do.

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TENNECO AUTOMOTIVE INC.

A Global Supplier of Ride and Emission Control Systems

People: Approximately 19,600

Manufacturing & Distribution Facilities: 90

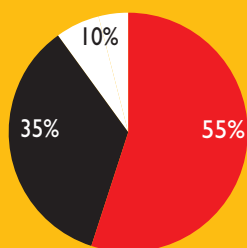
Engineering Centers: 8

Operations	2002 Sales	Markets Served	Products	Brands
Original Equipment – Emission Control	\$1.9 billion	Passenger cars Light trucks Commercial trucks Industrial applications Motorbikes	Complete exhaust systems Fabricated manifolds Manifold-converter modules Downpipes Exhaust heat exchangers Mufflers Diesel particulate filter systems Catalytic converter shells	 
Original Equipment – Ride Control	\$671 million	Passenger cars Light trucks Commercial trucks Niche markets	Shocks & struts Suspension bushings Coil, air & leaf springs Torque rods Engine/body mounts Suspension modules/systems Control arms/bars/links	   
Operations	2002 Sales	Markets Served	Products	Brands
Aftermarket – Emission Control	\$358 million	Passenger cars Light trucks Commercial trucks Performance vehicles	Manifolds Mufflers Pipes Tubing Mounting components Catalytic converters	    
Aftermarket – Ride Control	\$550 million	Passenger cars Light trucks Commercial trucks Trailers	Shocks Struts Cartridges Mounting kits	   

	2002	2001
Revenues (millions)	3,459	3,364
Ride Control/Emission Control Balance†	35/65	35/65
Original Equipment/Aftermarket Balance†	74/26	72/28

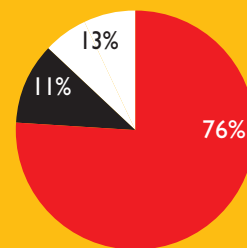
†percentage of sales

2002 Sales



■ North America
■ Europe
■ Rest of World

2002 EBIT



■ North America
■ Europe
■ Rest of World

Countries: 23

Competitors	Key Advantages	Top Five Customers	Top Five Platforms 2002	Market Opportunities
ArvinMeritor Faurecia Visteon Delphi Eberspacher	Leading technologies Experienced team Product/process quality Global program management Asian alliances Joint ventures in China,Thailand, and U.K.	General Motors Ford Volkswagen DaimlerChrysler PSA Peugeot	GM Suburban/Yukon XL/ Escalade/Tahoe GM Envoy/Trailblazer VW Bora/Golf/Leon/A3 GM Blazer/Bravada/Jimmy Dodge Ram Pickup	Emission regulations Noise reduction regulations Demand for diesel/hybrid vehicles Emerging markets Customer penetration New technologies Non-automotive markets
ArvinMeritor Delphi Tokico ZF Sachs Bilstein Kayaba	Customer relationships Broad product range Full service supplier Just In Time (JIT) delivery	Ford Volkswagen DaimlerChrysler General Motors Nissan Motor Co.	GM Suburban/Yukon XL/ Escalade/Tahoe VW Golf/ Audi TT/ Toledo DaimlerChrysler Town & Country/Voyager/Caravan Ford F-Series Truck DaimlerChrysler Stratus/Sebring	Vehicle stability/ safety requirements Modular assembly New technologies Non-automotive markets
Competitors	Key Advantages	Top Five Customers	Leading Products	Market Opportunities
ArvinMeritor OE Service Bosal Faurecia Goerlich	Brand dominance Relationships with all major wholesale distributors/retailers Global presence Leading market share Product innovation	NAPA TEMOT Autoteile Automotive Distribution International Advance Auto Parts Uni-Select	Mega-Flow™ mufflers Quiet-Flow™ mufflers Tru-Fit™ Universal mufflers SoundFX™ mufflers Clean Air™ catalytic converters	Growing number of vehicles on road Aging vehicle population OE Service New technologies Emission regulations Performance product demand
ArvinMeritor OE Service ZF Sachs Kayaba	Product quality Complete product & vehicle coverage Targeted marketing programs	NAPA Advance Auto Parts O'Reilly Automotive TEMOT Autoteile Sears	Reflex™ shocks & struts Sensa*Trac® shocks & struts RS9000X™ shocks GasMagnum® shocks Strut-Mate®	Growing number of vehicles on road Aging vehicle population OE Service New technologies Unperformed maintenance Premium mix expansion Broader product coverage Heavy-duty truck penetration Safety/installer education

Top Selling Models 2002

Light Truck

Tenneco Automotive
products on 9 of the top 10
North American models

GM Silverado
Ford F-Series Truck
Ford Explorer
Dodge Ram Pickup
Ford F-Series Super Duty
DaimlerChrysler Caravan
GM Trailblazer
GM Sierra Pickup
Ford Ranger

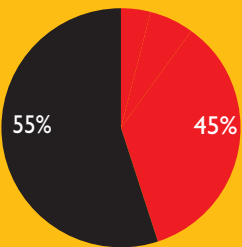
Passenger Cars

Tenneco Automotive
products on 6 of the top 10
Western European models

VW Golf
Opel Astra
Opel Corsa
Peugeot 307
Renault Clio
VW Passat

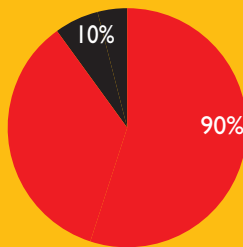
Total Vehicle Production 2002

North America



■ Passenger Car
■ Light Truck

Western Europe



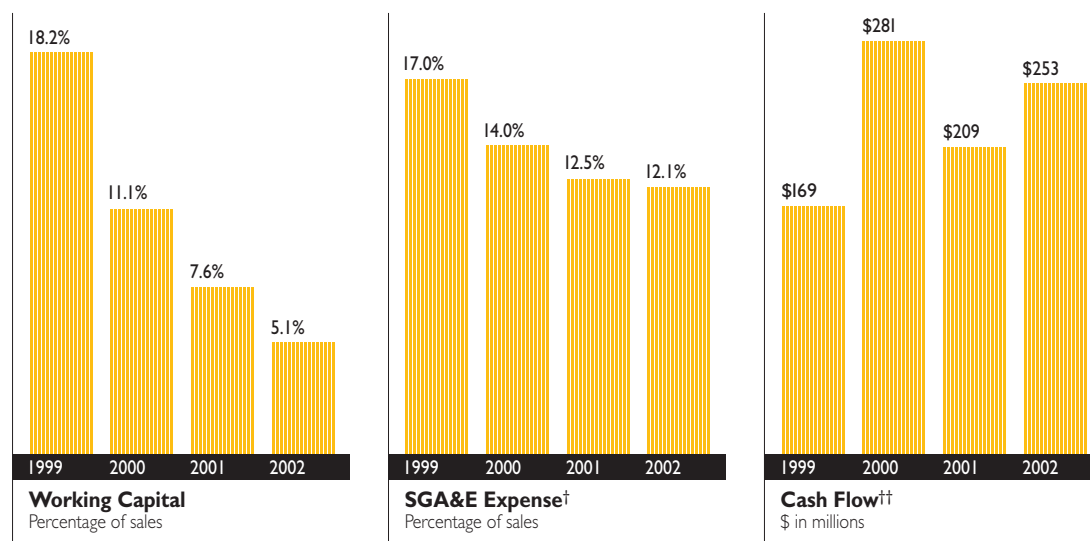
■ Passenger Car
■ Light Truck

Source:
DRI Automotive
Group

FINANCIAL HIGHLIGHTS

(dollars in millions except per share data)	2002	2001	2000
Sales	\$ 3,459	\$ 3,364	\$ 3,528
Income before interest, taxes and minority interest	\$ 169	\$ 92	\$ 120
Depreciation and amortization	\$ 144	\$ 153	\$ 151
EBITDA*	\$ 313	\$ 245	\$ 271
Income before extraordinary item and cumulative effect of change in accounting principle	\$ 31	\$ (130)	\$ (41)
Earnings per share, before extraordinary item and cumulative effect of change in accounting principle	\$ 0.74	\$ (3.43)	\$ (1.18)
Capital expenditures	\$ 138	\$ 127	\$ 146
Average diluted shares outstanding	41,667,815	38,001,248	34,906,825
Total debt	\$ 1,445	\$ 1,515	\$ 1,527

*EBITDA represents income before extraordinary item and cumulative effect of change in accounting principle, interest expense, income taxes, minority interest and depreciation and amortization (the addition of lines two and three in table above). 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 operating performance, or as an alternative to operating cash flows as a measure of liquidity. We have reported EBITDA because we regularly review EBITDA as a measure of our ability to incur and service debt. In addition, we believe our debtholders utilize and analyze our EBITDA for similar purposes. We also 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.



†Selling, general and administrative expense plus engineering, research and development expense.

††Cash flow before financing activities, interest and tax payments.

TO OUR SHAREHOLDERS: Tenneco Automotive recorded its most successful year as a stand-alone company in 2002.

We did so by maintaining our strategic focus on reducing debt and improving cash flow through four primary means: keeping selling, general, administrative and engineering (SGA&E) costs in check; improving our working capital position; maintaining gross margin levels; and strengthening business relationships. In addition, our team capitalized on the opportunities presented by a surprisingly robust North American vehicle production rate. At the same time, we dealt effectively with challenging economic and market conditions in Europe and other regions by rapidly cutting spending and optimizing assets.

By adhering to our 2002 strategic focus, we:

- ▶ Strengthened business relations, winning important new original equipment (OE) business, expected to launch over the next three years;
- ▶ Maintained SGA&E expenses at our objective of 12 percent of revenues despite higher investments in sales promotion and engineering;
- ▶ Improved cash flow from working capital by \$67 million, exceeding our goal by 34 percent;



- ▶ Favorably amended our debt covenants with a beneficial three-year package; and,
- ▶ Paid down \$70 million in total borrowings, thereby helping to lower interest expense last year by \$29 million, and reducing our overall borrowings since 1999 by \$270 million.

As a result, our company reported its first year of operating profitability since becoming an independent entity in late 1999. We also delivered a 98 percent total return to shareholders in 2002, substantially outperforming both the industry average and the S&P 500. Unfortunately, like the stocks of most auto suppliers, at the time this report went to press, our stock was trading below year-end 2002 levels, which we believe is due to skepticism about 2003 vehicle production levels and economic uncertainty.

We are pleased with the overall progress we've made and are determined to stay firm on the strategic direction that has brought the success achieved so far. However, we are aware that further improvements are needed and the future holds challenges as well as opportunities.

Working within the context of our four-pronged strategy, we are taking steps to sharpen our competitive edge by further enhancing manufacturing quality, increasing efficiency and streamlining processes.

At the same time, we are striving to expand our revenue base by developing advanced products and leveraging business relationships.

EFFICIENCIES DRIVE COST SAVINGS We are targeting substantial cost savings in 2003 to more than offset potential increases in material and labor costs, contractual price concessions and possible volume declines in replacement and original equipment markets worldwide.

Mark P. Frissora
Chairman and
Chief Executive Officer

Our primary initiative for improving our global manufacturing and distribution efficiency is Project Genesis. Since launching the first phase of Genesis in December 2001, we have reduced excess capacity and costs by closing eight facilities and streamlining the workflow at 21 plants worldwide. These moves generated approximately \$12 million in savings last year at about two-thirds the anticipated cost. We plan to complete the Phase I activities in 2003 and recognize an additional \$15 million in savings this year. Starting in 2004, we expect \$30 million in annualized savings as a result of Project Genesis.

Six Sigma and Lean manufacturing also provide long-term cost savings. Six Sigma, a quality methodology designed to eliminate process variability, product defects and waste that undermine customer loyalty, generated \$25 million in cost savings last year and we expect similar results in 2003. Our Lean manufacturing initiatives, modeled on the well-regarded Toyota Production System, are effectively reducing costs, inventories and customer lead times while improving on-time delivery.

Cost management is another key element of our strategy. Since 1999, we have reduced our total workforce by 17 percent and slashed overhead spending by \$136 million. SGA&E as a percent of sales has improved to 12 percent from about 17 percent over the three-year period. Our 2003 goal is to reduce our SGA&E costs to 11.5 percent of sales, primarily by cutting overhead expenses by about \$24 million.

We have also organized a global, centralized supply chain management team that is working to offset expected price increases and reduce our overall material costs by leveraging our worldwide purchases, increasing sourcing in low-cost areas and using alternative materials when appropriate.

Finally, we've improved our working capital balances by \$416 million since 1999 — primarily by better managing

receivables, inventories and payables. Based on industry benchmarking studies, we believe there is still a \$150 million opportunity for improvement. In 2003, we expect to reduce working capital by \$50 million, generating additional cash flow for debt reduction.

NEW PRODUCTS AND MARKETS CREATE GROWTH

Our growth strategy emphasizes increasing revenues and capturing greater efficiencies. We continue to commercialize innovative technologies for OE customers. These advanced products achieve improved emission control performance that meets more stringent environmental regulations and provide safer vehicle handling to address growing safety issues, while adding content per vehicle.

For example, we were awarded one production and three development OE contracts in Europe for our Continuously Controlled Electronic Suspension (CES) system in 2002. We also won contracts for advanced emission control systems for two major European-based luxury brands that are launching in 2004, and are expected to generate some \$200 million in total revenues over four years.

Moreover, we continue to transfer product technologies from our OE business to the aftermarket. This practice extends the marketing reach of each product, spreads the development costs and enhances the return on our investment. Offering products with premium benefits helps further distinguish us and our customers from competitors.

In 2002, we launched our premium Reflex™ shock absorber — originally developed for OE applications — in the European aftermarket, having previously introduced this advanced ride control product in North America. As a result, our European business increased its sales mix of premium products by three percentage points for the year. We hope to see similar success when we roll out Reflex™ in Australia in 2003.

Besides increasing sales through new products, penetration of additional markets provides enormous opportunities. China, for example, represents the world's fastest-growing automotive market. We are already capitalizing on this exciting trend with our majority-ownership joint ventures in Shanghai and Dalian for emission control and Beijing for ride control. Overall, revenues from China in 2002 increased 83 percent over 2001. Going forward, our strategy is to continue to identify and establish partnerships in China and other key growth markets.

Joint ventures and strategic alliances have also enabled us to capture an increasing share of the Japanese OE business. Sales to Toyota, Honda and Nissan in North America are 26 percent higher today than in 1999.

Another market offering strong growth potential is heavy-duty trucks. Our current sales to large truck manufacturers make up only about 6 percent of our total OE sales. However, we recently won several important development contracts based on our leading-edge exhaust products, such as diesel particulate filters and DeNox converters. Our high-margin North American elastomer business — which was awarded \$60 million in new business in 2002 — draws a large portion of its sales from this market as well.

PREPARED FOR UNCERTAINTY At present, the economic outlook for 2003 is tenuous. Political tensions are contributing to consumer caution and a restrained outlook for business conditions throughout the world. In North America, generous incentive programs buoyed light vehicle sales in 2002, which may have negative consequences this year if the programs either expire or simply lose impact with consumers.

We believe we are well prepared to deal with these uncertainties. Our lean manufacturing philosophy, featuring increased speed and quality, improved workflow and processes, and a relentless cost management focus, will help us respond rapidly to changing sales trends.

Events of the past year necessitate addressing the issue of corporate integrity. I can assure shareholders that Tenneco Automotive not only zealously adopts Securities and Exchange Commission mandates and corporate governance best practices, but we have made many of them our standard operating practice for years.

We have properly attributed our improvement in 2002 to proven strategies for working capital management and repayment of borrowings. Even the most potent tactics, however, cannot deliver results without the dedication, enthusiasm and skill of the people charged with their execution.

During 2002, we recognized the optimistic, “can do” spirit of the Tenneco Automotive workforce in our new motto, Our Mission is GO!

We believe the capabilities of the people of Tenneco Automotive — coupled with our strategies and a renewed emphasis on execution and discipline — will continue to propel our company forward to new levels of success.



Mark P. Frissora
Chairman and Chief Executive Officer
April 2003

We were a company on the go in 2002 — a year in which our strategies showed solid results. Our primary goals were to generate cash and pay down borrowings and to win new business and build revenues through stronger customer relationships.

▶▶ The progress we achieved — repaying \$70 million in borrowings and winning more than \$1.2 billion in OE and aftermarket business — shows a results oriented company in action. We moved aggressively forward, driven to continually improve our performance. We were a company whose Mission is GO. That phrase sums up our view about the future, too. • We provide the technology, products and systems that make vehicles safer and run cleaner. • We have a targeted growth strategy for profitable, value-added opportunities in promising market sectors and



regions. • We have a global manufacturing and distribution system that is growing more efficient while better serving our customers. • We are coordinating our worldwide engineering expertise to help customers find solutions and meet tomorrow's regulatory requirements today. • We are joining with strategic partners to enter new markets economically and add complementary abilities and skills to achieve growth. ▶▶ We left the starting blocks as a stand-alone company in 1999 carrying \$1.715 billion in bank loans and bond debt. As we continue to shed the weight of debt, we are picking up speed, and can act even faster, more flexibly and more effectively to seize opportunities and achieve profitable growth by executing our strategy with discipline and focus.



going stronger

We team globally with our alliance partner Futaba to supply unique products such as this double wrap muffler for the exhaust system on Toyota's Sienna mini-van.

Financial strength begins at the top-line. Our revenues grew in 2002 as we benefited from our strategic investments in strong growth areas, including China, which was the fastest growing passenger car market in 2002. Having been in China since 1995, our joint venture operations are supplying leading original equipment manufacturers, including Volkswagen, the market leader. ►► We also bounded into newer markets. We attracted new customers in the European heavy-duty market with our advanced emission control products including exhaust filters designed specifically for diesel engines. Geographically, we continue to look east in Europe to take advantage of faster growing economies and lower production costs. We have already established operations in Poland and the Czech Republic and are now reaching out to customers in Russia where we expect to begin a staged entry with the start up of our first production facility expected in late 2003. ►► Overall, in 2002, we captured a significant number of new original equipment contracts with 20 different customers for platforms expected to go



into production in 2003 through 2005, including an increase in the more profitable hot-end exhaust business in Europe and high-margin elastomer business in North America.

▶▶ Through global alliances and joint ventures, we continued increasing our global presence without making substantial new capital investments. Approximately eight percent of our new original equipment business in 2002 was generated through our Asian-based alliances. ▶▶ We have a very strong presence with our ride and emission control products on many top-selling cars and light trucks in both North America and Europe including the popular GM Silverado, the Ford F-Series truck and the VW Golf.

▶▶ We added new aftermarket customers in 2002 totaling an estimated \$45 million in annualized revenue. Our North American aftermarket business signed up several important new customers, including Discount Automotive and Parts Authority. In Europe, the introduction of the Reflex™ shock absorber boosted our premium mix — as well as aftermarket financial results — as we sold our one-millionth unit within only four months.

going smarter



The Sterling Heights just-in-time facility assembles and delivers more than 1.2 million suspension modules for DaimlerChrysler's Stratus/Sebring models.

Our key process initiatives — Six Sigma, Lean manufacturing, BOS and EVA[†] (Economic Value Added) — help us work smarter. We continued to make strides during 2002 to make our organization as efficient and flexible as possible. ▶▶ We are driving quality up and costs down through application of Six Sigma techniques, which produced more than \$25 million in savings in 2002. ▶▶ We also continue to integrate our manufacturing, distribution and engineering operations by taking additional steps to standardize products and processes and share information and expertise across global teams. Emission control technologies are rapidly being transferred between our European and North American operations. Our North American and South American ride control teams are helping to extend the company's elastomers presence to Europe. ▶▶ We are using EVA[®] as a key decision-making tool, which helps us work smarter in how we generate cash and target the best return on capital. We also formed a new Global Supply Chain Management organization that is working to reduce the amount we spend on materials.

[†]EVA[®] is a registered trademark of Stern Stewart & Co.

going leaner



With advanced robotics and Lean manufacturing, our JIT facility in Saarlouis, Germany delivers a series of exhaust systems directly to the Ford Focus production line, every ten minutes, 24-hours a day, five days a week.

We are becoming a leaner and more efficient organization. ▶▶ We successfully launched a global restructuring program in 2002 to align our production capacity to market needs and streamline our distribution networks. We closed eight facilities and improved productivity at 21 other plants. Called Project Genesis, the full annualized benefits of these efforts are expected to first appear in 2004. Last year, this program delivered nearly \$12 million in cost savings at two-thirds the estimated cost. We anticipate additional savings of \$15 million in 2003. ▶▶ We continue to deploy Lean-manufacturing techniques across our facilities with weighty results. **Our Smithville, Tenn. exhaust plant in 2002 improved direct labor efficiency by more than 80 percent, cut inventories by 44 percent, increased available plant floor space by 20 percent and trimmed lead times by 20 percent under its Lean initiatives.** ▶▶ We have responded to our customers around the globe with just-in-time (JIT) manufacturing facilities, which deliver products most efficiently, matching shipments exactly to the immediate production needs of our customers.



going cleaner

Our emission control expertise applied to heavy-duty exhaust systems meets growing demand from tough new emissions standards for trucks and buses in Europe and North America, creating a new market opportunity for Tenneco Automotive.

More advanced emissions control technologies drove new business in 2002 with European heavy-duty truck and luxury passenger car manufacturers. We're helping our customers stay ahead of the U.S. and European environmental regulations, which impose increasingly stricter limits on vehicle emissions. New catalytic converter technologies, such as the Tubular Integrated Converter and Ultra Thin Wall Substrates provide new and more advanced emissions control options. ▶▶ We also have technologies that respond to the tremendous increase in diesel use in Europe and growing interest in North America. We have developed and commercialized a diesel particulate filter for diesel passenger vehicles that virtually eliminates combustion particulates without impairing engine performance. Major vehicle manufacturers, such as Peugeot, are using our diesel



particulate filter in their new passenger car and van exhaust systems. ►► Additionally, we have developed exhaust aftertreatment systems that eliminate particulates almost entirely and reduce nitrogen oxide by 80 percent. These advanced products are designed for medium and heavy-duty vehicles that will be affected by upcoming Euro4 and Euro5 regulations. ►► The United States is beginning to impose more stringent environmental regulations on heavy-duty trucks, similar to those currently in force in Europe. We are well positioned to transfer proven European technologies to meet the changing emission needs of the heavy-duty market in the U.S.

going safer



Shock absorbers play a critical role in stopping, steering and vehicle stability. Our Safety TriangleSM campaign emphasizes the importance of well-maintained shocks and struts for safer driving.

We're on the move to improve the safety of vehicles already on the road. Our global Safety TriangleSM campaign educates customers on the vital role shock absorbers and struts play in keeping vehicles safe in the three critical areas of steering, stopping and stability. During 2002, we visited 20 cities across the United States to hold driving demonstrations for more than 3,000 installers to highlight the difference between new and worn suspension parts and improve the ability of people who maintain vehicles for retail customers to spot shock absorbers and struts in need of replacement. We're expanding our marketing efforts in 2003 to educate both installers and consumers in North America and Europe on the importance of well-maintained shock absorbers for safer driving. ▶ Increasing replacement rates is important to our bottom-line. The ride control aftermarket is one of our most profitable business segments. In addition to our aggressive marketing strategy, we are continuing to improve our premium mix of



products and leverage our strong brands. Our performance shock — Rancho® — continues to be the leading brand with off-road enthusiasts in the United States, and is now making inroads in Asia and South America. ►► On the OE side of our ride control business, our most recent development has been driven by the increasing demand for electronic systems in Europe. Our Continuously Controlled Electronic Suspension (CES) system avoids forcing a choice between handling and comfort. CES creates the road-hugging characteristics of a sports car with the smooth ride of a luxury sedan by continuously monitoring road conditions and vehicle movement and making instantaneous adjustments in vehicle suspension. And, improved vehicle stability contributes to safer vehicles. **Volvo has chosen the CES system for its S60R and V70R passenger cars and we were awarded three development contracts with other major vehicle manufacturers for this new technology.**



going further

Days of road tests and engineering analysis are cut to hours with the key life rig, which simulates road conditions and measures effects of engine operation and chassis movement on exhaust systems, at our Edenkoben, Germany engineering center.

A company breaks out of the competitive pack by going the extra mile — providing innovation and higher levels of service as well as extending into new markets. ▶▶ In the aftermarket, we set the standard for marketing and customer support, which distances us from the competition and allows us to lead the market with premium brands — Monroe® and Walker® — and premium products, generating higher profit for us as well as our customers. ▶▶ We are pursuing modular assemblies with original equipment customers who desire suppliers to take on a greater portion of the work of combining components into a single unit. Assembling modules and full systems simplifies production for customers and adds to our revenues. ▶▶ We go further by working with customers on engineering solutions to design problems. **In North America, a patented design and a unique manufacturing process helped us develop our LiteningRod™ torque rod for heavy-duty truck customers looking for a lighter weight product without compromising strength and durability.**

going together



Our Hodkovice ride control manufacturing facility in the Czech Republic improved productivity and doubled production in one year — meeting new demand from customers like Volkswagen, Skoda, Ford and Renault.

We are moving in the right direction with a renewed focus on long-term profitable growth. Besides strong progress in reducing borrowings, since 1999 we have revitalized our North American aftermarket business, continued to grow our original equipment book of business, improved production and distribution efficiency and set up mutually beneficial global alliances and joint ventures. ►► With this solid footing established, we're eagerly facing the future — a feeling we captured in the phrase, Our Mission is GO. Our Mission is GO is a rallying cry that focuses the company on going forward, continually improving our operations and performance. **Our Mission is GO recognizes and encourages a culture that emphasizes teamwork and doing whatever is necessary to serve our customers and strengthen our business.** ►► We delivered measurable progress in 2002. The challenge is to keep moving ahead with proven strategies that have brought us to this point. We are determined to flawlessly execute our plans and bring discipline to all we do in order to deliver on our commitments to our customers and to our shareholders.

going forward



BOARD OF DIRECTORS

Pictured left to right:

David B. Price, Jr.^{2,3}

Consultant, Former President, BF Goodrich Performance Materials

Frank E. Macher²

Chairman and Chief Executive Officer, Federal-Mogul Corporation

Sir David Plastow²

Retired Chairman and Chief Executive Officer, Vickers plc

Roger B. Porter^{2,3}

IBM Professor of Business and Government, Harvard University

Mark P. Frissora

Chairman and Chief Executive Officer, Tenneco Automotive Inc.

M. Kathryn Eickhoff^{1,3}

President and Chief Executive Officer, Eickhoff Economics, Inc.

Dennis G. Severance¹

Accenture Professor of Computer and Information Systems, University of Michigan Business School

Paul T. Stecko^{1,3}

Chairman and Chief Executive Officer, Packaging Corporation of America

not pictured

Charles W. Cramb¹

Senior Vice President and Chief Financial Officer, The Gillette Company

Joined the Board of Directors March 11, 2003

¹ Audit Committee

² Compensation/Nominating/Governance Committee

³ Three-Year Independent Director Evaluation Committee

Red numbers indicate the committee chair

EXECUTIVE OFFICERS OF TENNECO AUTOMOTIVE

Mark P. Frissora

Chairman and Chief Executive Officer

Timothy R. Donovan

Executive Vice President, General Counsel and Managing Director, International

Hari N. Nair

Executive Vice President and Managing Director, Europe

Mark A. McCollum

Senior Vice President and Chief Financial Officer

Richard P. Schneider

Senior Vice President, Global Administration

Timothy E. Jackson

Senior Vice President, Global Technology

Paul Schultz

Senior Vice President, Global Supply Chain Management

David G. Gabriel

Senior Vice President and General Manager, North America Aftermarket

Brent J. Bauer

Senior Vice President and General Manager, North America Original Equipment, Emission Control

Theo Bonneau

Vice President and Controller, Europe

Lois Boyd

Vice President, Global Program Management

William M. Churchill

Vice President, Global Engineering, Ride Control

Alex Drysdale

Vice President and Managing Director, Australia/New Zealand

Josep M. Fornos

Vice President and General Manager, Europe Original Equipment, Ride Control

H. William Haser

Vice President and Chief Information Officer

Ulrich Mehlmann

Vice President and General Manager, Europe Original Equipment, Emission Control

Don R. Miller

Vice President and General Manager, Europe Aftermarket

Paul D. Novas

Vice President and Treasurer

James K. Spangler

Vice President, Global Communications

Kenneth R. Trammell

Vice President and Controller

Herman Weltens

Vice President, Global Engineering, Emission Control

Neal A. Yanos

Vice President and General Manager, North America Original Equipment, Ride Control

INVESTOR INFORMATION

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Lake Forest, Illinois 60045
847.482.5000

Web Site

www.tenneco-automotive.com†

Corporate Information

Individuals interested in receiving the company's latest quarterly earnings press release or other company literature should write the Investor Relations department at the corporate headquarters address or call 847.482.5042.

Information about Tenneco Automotive is also available on the company's web site.†

Stock Listing

Tenneco Automotive's common stock is listed under the ticker symbol TEN.

TEN is traded primarily on the New York Stock Exchange and also on the following exchanges: Chicago, Pacific and London.

As of February 13, 2003, there were approximately 58,376 holders of record of the company's common stock, 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: 847.482.5042.

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:

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704.427.2602

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Click on "FirstLink Equity"

Dividends

The Board of Directors of Tenneco Automotive eliminated its quarterly common stock dividend on January 9, 2001. Prior to that, the company had paid a \$0.05 per share of common stock dividend in each of the four quarters of 2000. The company expects that for the foreseeable future it will follow a policy of retaining earnings in order to finance the continued development of its business. Additional information on the company's dividend policy and restrictions on the payment of dividends can be found in Management's Discussion and Analysis in the Annual Report on Form 10-K for the year ended December 31, 2002.

Annual Meeting

The Annual Meeting of Stockholders will be held at 10:00 a.m. Central Time on Tuesday, May 13, 2003, at Tenneco Automotive's headquarters, 500 North Field Drive, Lake Forest, Illinois.

STOCK PRICE DATA

	2002		2001	
	Sale Prices			
	High	Low	High	Low
First Quarter	\$4.10	\$1.90	\$4.25	\$2.62
Second Quarter	\$6.75	\$3.82	\$4.49	\$2.40
Third Quarter	\$8.32	\$3.50	\$5.45	\$1.86
Fourth Quarter	\$5.97	\$3.28	\$2.30	\$1.35

†The information on our web site is not part of this annual report.

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