

TENNECO INC. AND CONSOLIDATED SUBSIDIARIES  
STATEMENTS OF INCOME  
Unaudited  
THREE MONTHS ENDED MARCH 31,  
(Millions except per share amounts)

	<u>2012</u>	<u>2011</u>
Net sales and operating revenues	<u>\$ 1,912</u>	<u>\$ 1,760</u>
Costs and expenses		
Cost of sales (exclusive of depreciation and amortization shown below)	1,607 (a)	1,466 (d)
Engineering, research and development	38	35
Selling, general and administrative	118	109
Depreciation and amortization of other intangibles	<u>49</u>	<u>51</u>
Total costs and expenses	<u>1,812</u>	<u>1,661</u>
Loss on sale of receivables	(1)	(1)
Other income (expense)	<u>(3)</u>	<u>(4)</u>
Total other income (expense)	<u>(4)</u>	<u>(5)</u>
Earnings before interest expense, income taxes, and noncontrolling interests		
North America	71	62
Europe, South America & India	17 (a)	24 (d)
Asia Pacific	<u>8</u>	<u>8</u>
	96	94
Interest expense (net of interest capitalized)	<u>42</u> (b)	<u>28</u> (e)
Earnings before income taxes and noncontrolling interests	54	66
Income tax expense	<u>18</u> (c)	<u>14</u> (f)
Net income	36	52
Less: Net income attributable to noncontrolling interests	<u>6</u>	<u>5</u>
Net income attributable to Tenneco Inc.	<u>\$ 30</u>	<u>\$ 47</u>
Weighted average common shares outstanding:		
Basic	<u>60.2</u>	<u>59.8</u>
Diluted	<u>61.7</u>	<u>62.1</u>
Earnings per share of common stock:		
Basic	<u>\$ 0.50</u>	<u>\$ 0.78</u>
Diluted	<u>\$ 0.49</u>	<u>\$ 0.75</u>

(a) Includes restructuring and related charges of \$1 million pre-tax, \$1 million after tax or \$0.01 per diluted share, which is recorded in cost of sales in Europe, South America and India.

(b) Includes pre-tax expenses of \$17 million, \$11 million after tax or \$0.18 per share for costs related to refinancing activities.

(c) Includes net tax benefits of \$1 million or \$0.02 per diluted share primarily related to U.S. taxable income with no associated tax expense due to the company's net operating loss position and income generated in lower tax rate jurisdictions, partially offset by the impact of recording a valuation allowance against the tax benefit for losses in certain foreign jurisdictions.

(d) Includes restructuring and related charges of \$1 million pre-tax, \$1 million after tax or \$0.01 per diluted share, which is recorded in cost of sales in Europe, South America and India.

(e) Includes pre-tax expenses of \$1 million, \$1 million after tax or \$0.01 per share for costs related to refinancing activities.

(f) Includes net tax benefits of \$10 million or \$0.14 per diluted share primarily related to U.S. taxable income with no associated tax expense due to the company's net operating loss position and income generated in lower tax rate jurisdictions, partially offset by the impact of recording a valuation allowance against the tax benefit for losses in certain foreign jurisdictions.