

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF INCOME
Unaudited
THREE MONTHS ENDED JUNE 30,
(Millions except share and per share amounts)

	<u>2005</u>	<u>2004</u>
Net sales and operating revenues	<u>\$ 1,180</u>	<u>\$ 1,113</u> (c)
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	941 (a)	873 (d)
Engineering, Research and Development	18	19
Selling, General and Administrative	93	100 (e)
Depreciation and Amortization of Other Intangibles	<u>44</u>	<u>44</u>
Total Costs and Expenses	<u>1,096</u>	<u>1,036</u>
Loss on sale of receivables	<u>(1)</u>	<u>(1)</u>
Total Other Loss	<u>(1)</u>	<u>(1)</u>
Income before Interest Expense, Income Taxes, and Minority Interest		
North America	52	50 (c) (d) (e)
Europe & South America	27 (a)	17 (d)
Asia Pacific	<u>4</u>	<u>9</u>
	83	76
Less:		
Interest expense (net of interest capitalized)	32	34
Income tax expense	18 (b)	10 (f)
Minority interest	<u>-</u>	<u>2</u>
Net income	<u>\$ 33</u>	<u>\$ 30</u>
Average common shares outstanding:		
Basic	<u>43.0</u>	<u>41.5</u>
Diluted	<u>45.1</u>	<u>44.2</u>
Earnings per share of common stock:		
Basic	<u>\$ 0.75</u>	<u>\$ 0.73</u>
Diluted	<u>\$ 0.71</u>	<u>\$ 0.69</u>

(a) Includes restructuring and restructuring related charges of \$2 million pre-tax, \$1 million after tax or \$0.03 per share. The entire \$2 million adjustment is recorded in cost of sales and geographically in Europe and South America.

(b) Includes a \$1 million or \$0.03 per share tax expense primarily related to adjusting state tax net operating loss carry forwards.

(c) Includes continuing changeover costs for a new aftermarket customer acquired in the first quarter of \$2 million pre-tax, \$1 million after-tax or \$0.02 per share. The entire cost is recorded in Sales. Geographically all of the charge is recorded in North America.

(d) Includes restructuring and restructuring related charges of \$5 million pre-tax, \$3 million after tax or \$0.07 per share. The entire charge is recorded in cost of sales. Geographically, \$1 million is recorded in North America and \$4 million in Europe and South America.

(e) Includes consulting fees indexed to stock price of \$1 million pre-tax, \$1 million after-tax or \$0.01 per share. The entire charge is recorded in SG&A. Geographically the entire charge is recorded in North America.

(f) Includes a \$4 million or \$0.09 per share tax benefit related to the resolution of outstanding tax issues.