

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

	<u>2009</u>	<u>2008</u>
Net sales and operating revenues	<u>\$ 2,073</u>	<u>\$ 3,211</u>
Costs and expenses		
Cost of sales (exclusive of depreciation shown below)	1,740 (a)	2,709 (d)
Engineering, research and development	45	70
Selling, general and administrative	166 (a)	207 (d) (e)
Depreciation and amortization of other intangibles	<u>107 (a)</u>	<u>112</u>
Total costs and expenses	<u>2,058</u>	<u>3,098</u>
Loss on sale of receivables	(4)	(4)
Other income (expense)	<u>(7) (b)</u>	<u>5</u>
Total other income (expense)	<u>(11)</u>	<u>1</u>
Income before interest expense, income taxes, and noncontrolling ownership interests		
North America	10 (a) (b)	26 (d) (e)
Europe, South America & India	(11) (a)	73 (d)
Asia Pacific	<u>5</u>	<u>15 (d)</u>
	4	114
Less:		
Interest expense (net of interest capitalized)	66	58
Income tax expense	<u>14 (c)</u>	<u>32 (f)</u>
Net income (loss)	<u>(76)</u>	<u>24</u>
Less: Net income attributable to noncontrolling interests	6	5
Net income (loss) attributable to Tenneco Inc.	<u>\$ (82)</u>	<u>\$ 19</u>
Average common shares outstanding:		
Basic	<u>46.7</u>	<u>46.3</u>
Diluted	<u>46.7</u>	<u>47.7</u>
Earnings (Loss) per share of common stock:		
Basic	<u>\$ (1.76)</u>	<u>\$ 0.40</u>
Diluted	<u>\$ (1.76)</u>	<u>\$ 0.39</u>

(a) Includes restructuring and related charges of \$6 million pre-tax, \$4 million after tax or \$0.08 per diluted share. Of the adjustment \$3 million is recorded in cost of sales, \$1 million is recorded in SG&A and \$2 million is recorded in depreciation. Geographically, \$3 million is recorded in North America and \$3 million in Europe, South America and India.

(b) Includes charge of \$5 million pre-tax, \$3 million after tax or \$0.07 per diluted share related to environmental liabilities of a company Tenneco acquired in 1996, at locations never operated by Tenneco, and for which that acquired company had been indemnified by Mark IV Industries, which declared bankruptcy in the second quarter 2009.

(c) Includes tax charges of \$36 million or \$0.77 per diluted share primarily related to the impact of recording a valuation allowance against the tax benefit for losses in the U.S. and certain foreign jurisdictions.

(d) Includes restructuring and related charges of \$10 million pre-tax, \$7 million after tax or \$0.14 per diluted share. Of the adjustment \$6 million is recorded in cost of sales and \$4 million is recorded in SG&A. Geographically, \$2 million is recorded in North America, \$6 million in Europe, South America and India and \$2 million in Asia Pacific.

(e) Includes customer changeover costs of \$7 million pre-tax, \$4 million after-tax or \$0.09 per diluted share.

(f) Includes a \$14 million or \$0.29 per diluted share charge for tax adjustments.