

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF INCOME (LOSS)

Unaudited
THREE MONTHS ENDED SEPTEMBER 30,
(Millions except share and per share amounts)

	<u>2003</u>	<u>2002</u>
Net sales and operating revenues:	<u>\$ 914</u>	<u>\$ 856</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	727 (a)	675 (d)
Engineering, Research and Development	18	18
Selling, General and Administrative	91	85
Depreciation and Amortization of Other Intangibles	40	35
Total Costs and Expenses	<u>876</u>	<u>813</u>
Loss on sale of receivables	-	(1)
Other Income (Loss)	-	(2)
Total Other Income (Loss)	<u>-</u>	<u>(3)</u>
Income (Loss) before Interest Expense, Income Taxes, and Minority Interest		
North America	32	36 (d)
Europe	(3) (a)	(1) (d)
Other	9	5
	<u>38</u>	<u>40</u>
Less:		
Interest expense (net of interest capitalized)	34 (b)	36
Income tax expense (benefit)	(2) (c)	(2) (e)
Minority interest	2	1
Net income	<u>\$ 4</u>	<u>\$ 5</u>
Average common shares outstanding:		
Basic	<u>40.6</u>	<u>39.8</u>
Diluted	<u>42.2</u>	<u>42.0</u>
Earnings (loss) per share of common stock:		
Basic-	<u>\$ 0.11</u>	<u>\$ 0.13</u>
Diluted-	<u>\$ 0.10</u>	<u>\$ 0.13</u>

(a) Includes restructuring related charges of \$1 million pre-tax, \$1 million after-tax or \$0.02 per share. The entire charge is recorded in cost of sales. Geographically all of the charge is recorded in Europe.

(b) Includes a pre-tax reduction of \$2 million, \$1 million after-tax or \$.02 per share related to debt issuance costs that were deferred on the senior debt we paid down with the proceeds of the \$350 million bond offering.

(c) Includes a \$3 million or \$.09 per share tax benefit related to the resolution of outstanding tax issues.

(d) Includes restructuring and other charges of \$3 million pre-tax, \$2 million after-tax or \$0.04 per share. The entire charge is recorded in cost of sales. Geographically, \$1 million is recorded in North America and \$2 million in Europe.

(e) Includes a \$2 million or \$.06 per share tax benefit related to a change in the estimated effective tax rate.