

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
STATEMENTS OF INCOME

Unaudited

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

	<u>2005</u>	<u>2004</u>
Net sales and operating revenues	<u>\$ 1,096</u>	<u>\$ 996</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	889 (a)	796 (b)
Engineering, Research and Development	22	20
Selling, General and Administrative	96	93
Depreciation and Amortization of Other Intangibles	44	42
Total Costs and Expenses	<u>1,051</u>	<u>951</u>
Loss on sale of receivables	(1)	-
Other Income (Expense)	<u>6</u>	<u>(1)</u>
Total Other Income (Expense)	<u>5</u>	<u>(1)</u>
Income before Interest Expense, Income Taxes, and Minority Interest		
North America	37	31
Europe & South America	9 (a)	10 (b)
Asia Pacific	4	3
	<u>50</u>	<u>44</u>
Less:		
Interest expense (net of interest capitalized)	33	35
Income tax expense	7	2 (c)
Minority interest	-	1
Net income	<u>\$ 10</u>	<u>\$ 6</u>
Average common shares outstanding:		
Basic	<u>43.3</u>	<u>41.7</u>
Diluted	<u>45.6</u>	<u>44.3</u>
Earnings per share of common stock:		
Basic	<u>\$ 0.25</u>	<u>\$ 0.15</u>
Diluted	<u>\$ 0.23</u>	<u>\$ 0.14</u>

(a) Includes restructuring and restructuring related charges of \$2 million pre-tax, \$2 million after tax or \$0.04 per share. The entire \$2 million adjustment is recorded in cost of sales and geographically in Europe and South America.

(b) Includes restructuring and restructuring related charges of \$2 million pre-tax, \$2 million after tax or \$0.04 per share. The entire charge is recorded in cost of sales. Geographically, the entire amount is recorded in Europe and South America.

(c) Includes a \$1 million or \$0.02 per share tax benefit related to the resolution of outstanding tax issues.