

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

	<u>2005</u>	<u>2004</u>
Net sales and operating revenues	<u>\$ 3,377</u>	<u>\$3,142</u> (c)
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	2,718 (a)	2,498 (d)
Engineering, Research and Development	64	56
Selling, General and Administrative	287 (a)	302 (c) (d) (e)
Depreciation and Amortization of Other Intangibles	<u>134</u>	<u>131</u>
Total Costs and Expenses	<u>3,203</u>	<u>2,987</u>
Loss on sale of receivables	(2)	(1)
Other Income (Expense)	<u>5</u>	<u>(1)</u>
Total Other Income (Expense)	<u>3</u>	<u>(2)</u>
Income before Interest Expense, Income Taxes, and Minority Interest		
North America	126 (a)	111 (c) (d) (e)
Europe & South America	41 (a)	26 (d) (e)
Asia Pacific	<u>10</u>	<u>16</u> (e)
	177	153
Less:		
Interest expense (net of interest capitalized)	97	104
Income tax expense	29 (b)	11 (f)
Minority interest	<u>1</u>	<u>4</u>
Net income	<u>\$ 50</u>	<u>\$ 34</u>
Average common shares outstanding:		
Basic	<u>43.0</u>	<u>41.3</u>
Diluted	<u>45.2</u>	<u>44.0</u>
Earnings per share of common stock:		
Basic	<u>\$ 1.17</u>	<u>\$ 0.84</u>
Diluted	<u>\$ 1.11</u>	<u>\$ 0.78</u>

(a) Includes restructuring and restructuring related charges of \$7 million pre-tax, \$5 million after tax or \$0.11 per share. Of the adjustment \$6 million is recorded in cost of sales and \$1 million is in SG&A. Geographically, \$2 million is recorded in North America and \$5 million in Europe and South America.

(b) Includes a \$1 million or \$0.02 per share tax expense primarily related to adjusting state tax net operating loss carry forwards.

(c) Includes changeover costs for a new aftermarket customer acquired in the first quarter of \$8 million pre-tax, \$5 million after-tax or \$0.13 per share. Of the adjustment \$6 million is recorded in Sales and \$2 million is recorded in SG&A. Geographically all of the charge is recorded in North America.

(d) Includes restructuring and restructuring related charges of \$12 million pre-tax, \$8 million after tax or \$0.18 per share. Of the adjustment \$2 million is recorded in SG&A and the remaining \$10 million is in cost of sales. Geographically, \$3 million is recorded in North America and \$9 million in Europe and South America.

(e) Includes consulting fees indexed to stock price of \$4 million pre-tax, \$3 million after-tax or \$0.06 per share. The entire charge is recorded in SG&A. Geographically \$2 million of the charge is recorded in North America, \$1 million in Europe and South America and \$1 million in Asia Pacific.

(f) Includes a \$6 million or \$0.14 per share tax benefit related to the resolution of outstanding tax issues.