

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

	<u>2007</u>	<u>2006</u> ⁽¹⁾
Net sales and operating revenues	<u>\$ 1,556</u>	<u>\$ 1,121</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	1,313 (a)	925 (d)
Engineering, Research and Development	30	24
Selling, General and Administrative	101 (b)	81 (d)
Depreciation and Amortization of Other Intangibles	<u>52</u>	<u>45</u>
Total Costs and Expenses	<u>1,496</u>	<u>1,075</u>
Loss on sale of receivables	(3)	(3)
Other Income (Expense)	<u>-</u>	<u>-</u>
Total Other Expense	<u>(3)</u>	<u>(3)</u>
Income before Interest Expense, Income Taxes, and Minority Interest		
North America	24 (b)	15 (d)
Europe, South America & India	22 (a)	23 (d)
Asia Pacific	<u>11</u>	<u>5</u> (d)
	57	43
Less:		
Interest expense (net of interest capitalized)	32	30
Income tax expense	- (c)	4
Minority interest	<u>4</u>	<u>2</u>
Net Income	<u>21</u>	<u>7</u>
Average common shares outstanding:		
Basic	<u>46.0</u>	<u>45.0</u>
Diluted	<u>47.9</u>	<u>47.2</u>
Earnings per share of common stock:		
Basic	<u>\$ 0.47</u>	<u>\$ 0.16</u>
Diluted	<u>\$ 0.45</u>	<u>\$ 0.16</u>

(a) Includes restructuring and restructuring related charges of \$3 million before and after tax or \$0.05 per share, all of which is recorded in cost of sales in Europe, South America and India.

(b) Includes customer changeover costs of \$5 million pre-tax, \$3 million after-tax or \$0.06 per share.

(c) Includes an \$8 million or \$0.17 per share tax benefit, primarily related to tax rate changes in Germany and adjustments for prior year tax returns.

(d) Includes restructuring and restructuring related charges of \$7 million pre-tax, \$4 million after tax or \$0.10 per share. Of the adjustment \$6 million is recorded in cost of sales and \$1 million is recorded in SG&A. Geographically, \$3 million is recorded in North America, \$2 million in Europe, South America and India and \$2 million is recorded in Asia Pacific.

(1) As disclosed in Tenneco's Form 10-K/A filed August 14, 2007, Tenneco restated its financial results for the years ended December 31, 2004, 2005 and 2006 and for the quarters ended March 31, 2006 and 2007, June 30, 2006 and September 30, 2006. The amounts presented in this table reflect the results of the restatement.