

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
 STATEMENTS OF INCOME (LOSS)
Unaudited
 TWELVE MONTHS ENDED DECEMBER 31,
 (Millions except share and per share amounts)

	<u>2003</u>	<u>2002</u>
Net sales and operating revenues:	<u>\$ 3,766</u>	<u>\$ 3,459</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	2,994 (a)	2,735 (d) (e)
Engineering, Research and Development	67	67
Selling, General and Administrative	364	351 (e) (f)
Depreciation and Amortization of Other Intangibles	<u>163</u>	<u>144</u>
Total Costs and Expenses	<u>3,588</u>	<u>3,297</u>
Gain on sale of assets	-	10 (g)
Loss on sale of receivables	(2)	(2)
Other Income (Loss)	<u>-</u>	<u>(1)</u>
Total Other Income (Loss)	<u>(2)</u>	<u>7</u>
Income (Loss) before Interest Expense, Income Taxes, and Minority Interest		
North America	131 (a)	129 (d) (e) (f)
Europe	14 (a)	18 (d) (e) (f) (g)
Other	<u>31</u>	<u>22</u> (e)
	176	169
Less:		
Interest expense (net of interest capitalized)	149 (b)	141
Income tax expense (benefit)	(6) (c)	(7) (h)
Minority interest	6	4
Income (loss) before Cumulative Effect of Change in Accounting Principle	<u>27</u>	<u>31</u>
Cumulative Effect of Change in Accounting Principle, net of income tax	-	(218)
Net income (loss)	<u>\$ 27</u>	<u>\$ (187)</u>
Average common shares outstanding:		
Basic	<u>40.4</u>	<u>39.8</u>
Diluted	<u>41.8</u>	<u>41.7</u>
Earnings (loss) per share of common stock:		
Basic-		
Before Cumulative Effect of Change in Accounting Principle	\$ 0.67	\$ 0.78
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(5.48)</u>
	<u>\$ 0.67</u>	<u>\$ (4.70)</u>
Diluted-		
Before Cumulative Effect of Change in Accounting Principle	\$ 0.65	\$ 0.74
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(5.48)</u>
	<u>\$ 0.65</u>	<u>\$ (4.74)</u>

(a) Includes restructuring and related charges of \$8 million pre-tax, \$5 million after-tax or \$0.13 per share. The entire charge is recorded in cost of sales. Geographically, \$4 million is recorded in North America and \$4 million in Europe.

(b) Includes pre-tax expenses of \$12 million, \$8 million after-tax or \$.18 per share related to debt issuance costs that were deferred on the senior debt paid down with the proceeds of the 2003 debt refinancings.

(c) Includes a \$17 million or \$.41 per share tax benefit related to the resolution of several tax issues.

(d) Includes restructuring and restructuring related charges of \$11 million pre-tax, \$6 million after-tax or \$0.16 per share. The entire charge is recorded in cost of sales. Geographically, \$5 million is recorded in North America and \$6 million in Europe.

(e) Includes a favorable adjustment to the estimated costs to complete Project Genesis of \$9 million pre-tax, \$8 million after tax or \$0.19 per share. Of the adjustment \$2 million is recorded in SG&A and the remaining \$7 million is in cost of sales. Geographically, \$2 million is recorded in North America, \$6 million in Europe and \$1 million in Other.

(f) Includes costs associated with the amendment of the senior debt agreement of \$2 million pre-tax, \$1 million after-tax or \$0.03 per share. The entire charge is recorded in SG&A. Geographically, \$1 million is recorded in both North America and Europe.

(g) Includes a gain on the sale of a UK facility of \$11 million pre-tax, \$5 million after-tax or \$0.13 per share. Geographically, all of the gain is recorded in Europe.

(h) Includes a \$17 million or \$.40 per share tax benefit related to the resolution of several tax issues.