

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

Unaudited

THREE MONTHS ENDED DECEMBER 31,
(Millions except share and per share amounts)

	<u>2003</u>	<u>2002</u>
Net sales and operating revenues:	<u>\$ 933</u>	<u>\$ 846</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	745 (a)	677 (d) (e)
Engineering, Research and Development	17	18
Selling, General and Administrative	88	80 (e)
Depreciation and Amortization of Other Intangibles	43	40
Total Costs and Expenses	<u>893</u>	<u>815</u>
Loss on sale of assets	-	(1)
Loss on sale of receivables	(1)	-
Other Income (Loss)	1	1
Total Other Income (Loss)	<u>-</u>	<u>-</u>
Income (Loss) before Interest Expense, Income Taxes, and Minority Interest		
North America	22 (a)	21 (d) (e)
Europe	7	3 (d) (e)
Other	11	7 (e)
	<u>40</u>	<u>31</u>
Less:		
Interest expense (net of interest capitalized)	46 (b)	33
Income tax expense (benefit)	(5) (c)	(13) (f)
Minority interest	1	2
Net income (loss)	<u>\$ (2)</u>	<u>\$ 9</u>
Average common shares outstanding:		
Basic	<u>40.7</u>	<u>39.9</u>
Diluted	<u>42.4</u>	<u>41.7</u>
Earnings (loss) per share of common stock:		
Basic-	<u>\$ (0.04)</u>	<u>\$ 0.22</u>
Diluted-	<u>\$ (0.04)</u>	<u>\$ 0.21</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 North America.

(b) Includes a pre-tax expense of \$9 million, \$6 million after-tax or \$.13 per share related to debt issuance costs that were deferred on the senior debt refinanced in December 2003.

(c) Includes a \$3 million or \$.05 per share tax benefit related to a foreign tax adjustment.

(d) Includes restructuring related charges of \$5 million pre-tax, \$3 million after-tax or \$0.07 per share. The entire charge is recorded in cost of sales. Geographically, \$2 million is recorded in North America and \$3 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 tax adjustments of \$11 million or \$.26 per share related to an adjustment in taxes based on filed tax returns and a tax rate change in Belgium.