

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

	<u>2009</u>	<u>2008</u>
Net sales and operating revenues	<u>\$ 4,649</u>	<u>\$ 5,916</u>
Costs and expenses		
Cost of sales (exclusive of depreciation shown below)	3,875 (a)	5,063 (d)
Goodwill impairment charge	-	114 (e)
Engineering, research and development	97	127 (d)
Selling, general and administrative	344 (a)	392 (d) (f)
Depreciation and amortization of other intangibles	<u>221 (a)</u>	<u>222</u>
Total costs and expenses	<u>4,537</u>	<u>5,918</u>
Loss on sale of receivables	(9)	(10)
Other income (expense)	<u>(11) (b)</u>	<u>9</u>
Total other income (expense)	<u>(20)</u>	<u>(1)</u>
Income before interest expense, income taxes, and noncontrolling ownership interests		
North America	42 (a) (b)	(107) (d) (e) (f)
Europe, South America & India	20 (a)	85 (d)
Asia Pacific	<u>30</u>	<u>19 (d)</u>
	92	(3)
Less:		
Interest expense (net of interest capitalized)	133	113
Income tax expense	<u>13 (c)</u>	<u>289 (g)</u>
Net loss	<u>(54)</u>	<u>(405)</u>
Less: Net income attributable to noncontrolling interests	19	10
Net loss attributable to Tenneco Inc.	<u>\$ (73)</u>	<u>\$ (415)</u>
Average common shares outstanding:		
Basic	<u>48.6</u>	<u>46.4</u>
Diluted	<u>48.6</u>	<u>46.4</u>
Loss per share of common stock:		
Basic	<u>\$ (1.50)</u>	<u>\$ (8.95)</u>
Diluted	<u>\$ (1.50)</u>	<u>\$ (8.95)</u>

(a) Includes restructuring and related charges of \$21 million pre-tax, \$14 million after tax or \$0.27 per diluted share. Of the adjustment \$16 million is recorded in cost of sales, \$1 million is recorded in SG&A and \$4 million is recorded in depreciation. Geographically, \$17 million is recorded in North America and \$4 million in Europe, South America and India.

(b) Includes charge of \$5 million pre-tax, \$3 million after tax or \$0.07 per diluted share related to environmental liabilities of a company Tenneco acquired in 1996, at locations never operated by Tenneco, and for which that acquired company had been indemnified by Mark IV Industries, which declared bankruptcy in the second quarter 2009.

(c) Includes tax charges of \$27 million or \$0.57 per diluted share primarily related to adjustments to valuation allowances for deferred tax assets net of the impact of not benefiting U.S. and foreign tax losses.

(d) Includes restructuring and related charges of \$40 million pre-tax, \$27 million after tax or \$0.58 per diluted share. Of the adjustment \$17 million is recorded in cost of sales, \$1 million in engineering and \$22 million is recorded in SG&A. Geographically, \$16 million is recorded in North America, \$22 million in Europe, South America and India and \$2 million in Asia Pacific.

(e) Represents Goodwill impairment charge recorded in North America of \$114 million or \$2.45 per diluted share.

(f) Includes customer changeover costs of \$7 million pre-tax, \$4 million after-tax or \$0.09 per diluted share.

(g) Includes tax charges of \$290 million or \$6.25 per diluted share related to the valuation allowance against the company's U.S. deferred tax assets, repatriating of cash from Brazil, the impact of not benefiting fourth quarter U.S. tax losses, changes in foreign tax rates and other tax adjustments.