

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

	<u>2011</u>	<u>2010</u>
Net sales and operating revenues	<u>\$ 1,784</u>	<u>\$ 1,577</u>
Costs and expenses		
Cost of sales (exclusive of depreciation and amortization shown below)	1,514 (a)	1,325 (c)
Engineering, research and development	31	27
Selling, general and administrative	100	110 (d)
Depreciation and amortization of other intangibles	<u>51</u>	<u>53</u>
Total costs and expenses	<u>1,696</u>	<u>1,515</u>
Loss on sale of receivables	(1)	-
Other income (expense)	<u>1</u>	<u>-</u>
Total other income (expense)	<u>-</u>	<u>-</u>
Earnings before interest expense, income taxes, and noncontrolling interests		
North America	46 (a)	27 (c) (d)
Europe, South America & India	28	19 (c)
Asia Pacific	<u>14</u>	<u>16 (c)</u>
	88	62
Interest expense (net of interest capitalized)	<u>27</u>	<u>49 (e)</u>
Earnings before income taxes and noncontrolling interests	61	13
Income tax expense	<u>23 (b)</u>	<u>24 (f)</u>
Net income (loss)	38	(11)
Less: Net income attributable to noncontrolling interests	<u>8</u>	<u>7</u>
Net income (loss) attributable to Tenneco Inc.	<u>\$ 30</u>	<u>\$ (18)</u>
Weighted average common shares outstanding:		
Basic	<u>59.9</u>	<u>59.5</u>
Diluted	<u>61.4</u>	<u>59.5</u>
Earnings (Loss) per share of common stock:		
Basic	<u>\$ 0.50</u>	<u>\$ (0.31)</u>
Diluted	<u>\$ 0.49</u>	<u>\$ (0.31)</u>

(a) Includes restructuring and related charges of \$1 million pre-tax, less than \$1 million after tax or \$0.01 per diluted share, which is recorded in cost of sales in North America.

(b) Includes net tax charges of \$2 million or \$0.03 per diluted share primarily related to recording a valuation allowance against the foreign losses and withholding taxes on foreign dividends, mostly offset by adjustments to prior year estimates.

(c) Includes restructuring and related charges of \$4 million pre-tax, \$2 million after tax or \$0.06 per diluted share. The entire amount is recorded in cost of sales. Geographically, \$2 million is recorded in North America, \$1 million in Europe, South America and India and \$1 million in Asia Pacific.

(d) Includes a charge of \$2 million pre-tax, \$2 million after tax or \$0.02 per diluted share related to an actuarial loss for a lump-sum pension payment.

(e) Includes pre-tax expenses of \$21 million, \$13 million after tax or \$0.22 per share for costs related to refinancing activities.

(f) Includes non-cash tax charges of \$20 million or \$0.32 per diluted share primarily related to the impact of recording a valuation allowance against the tax benefit for losses in the U.S. and certain foreign jurisdictions.