

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

	<u>2012</u>	<u>2011</u>
Net sales and operating revenues	<u>\$ 1,753</u>	<u>\$ 1,784</u>
Costs and expenses		
Cost of sales (exclusive of depreciation and amortization shown below)	1,474 (a)	1,514 (d)
Engineering, research and development	32	31
Selling, general and administrative	106	100
Depreciation and amortization of other intangibles	<u>57 (b)</u>	<u>51</u>
Total costs and expenses	<u>1,669</u>	<u>1,696</u>
Loss on sale of receivables	(1)	(1)
Other income (expense)	<u>1</u>	<u>1</u>
Total other income (expense)	<u>-</u>	<u>-</u>
Earnings before interest expense, income taxes, and noncontrolling interests		
North America	54 (a)	46 (d)
Europe, South America & India	9 (a) (b)	28
Asia Pacific	<u>21</u>	<u>14</u>
	84	88
Interest expense (net of interest capitalized)	<u>21</u>	<u>27</u>
Earnings before income taxes and noncontrolling interests	63	61
Income tax expense	<u>22 (c)</u>	<u>23 (e)</u>
Net income	41	38
Less: Net income attributable to noncontrolling interests	<u>8</u>	<u>8</u>
Net income attributable to Tenneco Inc.	<u>\$ 33</u>	<u>\$ 30</u>
Weighted average common shares outstanding:		
Basic	<u>60.0</u>	<u>59.9</u>
Diluted	<u>61.1</u>	<u>61.4</u>
Earnings per share of common stock:		
Basic	<u>\$ 0.55</u>	<u>\$ 0.50</u>
Diluted	<u>\$ 0.54</u>	<u>\$ 0.49</u>

(a) Includes restructuring and related charges of \$3 million pre-tax, \$2 million after tax or \$0.04 per diluted share, which is recorded in cost of sales. Geographically, \$1 million is recorded in North America and \$2 million in Europe, South America and India.

(b) Includes an asset impairment charge of \$7 million or \$0.11 per diluted share related to the European ride control business.

(c) Includes net tax benefits of \$2 million or \$0.03 per diluted share primarily related to recording adjustments to prior year estimates.

(d) 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.

(e) 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.