

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
 STATEMENTS OF INCOME (LOSS)
 THREE MONTHS ENDED MARCH 31,
Unaudited

ATTACHMENT 1

	<u>2003</u>	<u>2002</u>
Net sales and operating revenues:	<u>\$ 921</u>	<u>\$ 809</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	743 (a)	640 (c)
Engineering, Research and Development	19	14
Selling, General and Administrative	88	93 (d)
Depreciation and Amortization of other intangibles	<u>39</u>	<u>34</u>
Total Costs and Expenses	<u>889</u>	<u>781</u>
Other Income (Loss)	<u>(1)</u>	<u>(1)</u>
Total Other Income	<u>(1)</u>	<u>(1)</u>
Income (Loss) before interest expense, income taxes, and minority interest		
North America	28 (a)	19 (c) (d)
Europe	(1) (a)	5 (d)
Other	<u>4</u>	<u>3</u>
	31	27
Less:		
Interest expense (net of interest capitalized)	31	36
Income tax expense (benefit)	(2) (b)	(8) (e)
Minority interest	1	1
Income (loss) before Cumulative Effect of Change in Accounting Principle	<u>1</u>	<u>(2)</u>
Cumulative Effect of Change in Accounting Principle, net of income tax	-	(218)
Net income (loss)	<u>\$ 1</u>	<u>\$ (220)</u>
Average common shares outstanding:		
Basic	<u>40.1</u>	<u>39.7</u>
Diluted	<u>40.9</u>	<u>40.9</u>
Earnings (loss) per share of common stock:		
Basic-		
Before Cumulative Effect of Change in Accounting Principle	\$ 0.02	\$ (0.05)
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(5.49)</u>
	<u>\$ 0.02</u>	<u>\$ (5.54)</u>
Diluted-		
Before Cumulative Effect of Change in Accounting Principle	\$ 0.02	\$ (0.05)
Cumulative Effect of Change in Accounting Principle	<u>-</u>	<u>(5.49)</u>
	<u>\$ 0.02</u>	<u>\$ (5.54)</u>

(a) Includes restructuring and restructuring related charges of \$5 million pre-tax, \$2 million after-tax or \$0.07 per share. The entire charge is recorded in cost of sales. Geographically, \$3 million is recorded in North America and \$2 million in Europe.

(b) Includes a \$3 million or \$.08 per share tax benefit related to the resolution of outstanding tax issues.

(c) Includes restructuring and other charges of \$1 million pre-tax, or \$0.01 per share. The entire charge is recorded in cost of sales. Geographically, \$1 million is recorded in North America.

(d) 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.

(e) Includes a \$4 million or \$.10 per share tax benefit related to lower-than-expected costs for withholding taxes. The lower cost of tax withholding for the fourth quarter 2001 tax repatriation transaction resulted from an amendment in the senior debt agreement allowing a more efficient transaction to be completed.