

TENNECO AUTOMOTIVE INC. AND CONSOLIDATED SUBSIDIARIES
 STATEMENTS OF INCOME
Unaudited
 THREE MONTHS ENDED SEPTEMBER 30,
 (Millions except share and per share amounts)

	<u>2004</u>	<u>2003</u>
Net sales and operating revenues:	<u>\$ 998</u>	<u>\$ 914</u>
Costs and Expenses		
Cost of Sales (exclusive of depreciation shown below)	798 (a)	727 (c)
Engineering, Research and Development	22	18
Selling, General and Administrative	91	91
Depreciation and Amortization of Other Intangibles	<u>42</u>	<u>40</u>
Total Costs and Expenses	<u>953</u>	<u>876</u>
Other Income (Loss)	<u>(1)</u>	<u>-</u>
Total Other Income (Loss)	<u>(1)</u>	<u>-</u>
Income (Loss) before Interest Expense, Income Taxes, and Minority Interest		
North America	31	32
Europe	6 (a)	(3) (c)
Other	<u>7</u>	<u>9</u>
	44	38
Less:		
Interest expense (net of interest capitalized)	35	34 (d)
Income tax expense (benefit)	2 (b)	(2) (e)
Minority interest	1	2
Net income	<u>\$ 6</u>	<u>\$ 4</u>
Average common shares outstanding:		
Basic	<u>41.7</u>	<u>40.6</u>
Diluted	<u>44.3</u>	<u>42.2</u>
Earnings per share of common stock:		
Basic	<u>\$ 0.15</u>	<u>\$ 0.11</u>
Diluted	<u>\$ 0.14</u>	<u>\$ 0.10</u>

(a) Includes restructuring and restructuring related charges of \$2 million pre-tax, \$2 million after-tax or \$0.04 per share. The entire charge is recorded in cost of sales. Geographically all of the charge is recorded in Europe.

(b) Includes a \$1 million or \$0.02 per share tax benefit related to the resolution of outstanding tax issues.

(c) 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 Europe.

(d) Includes a pre-tax reduction of \$2 million, \$1 million after-tax or \$0.02 per share related to debt issuance costs that were deferred on the senior debt we paid down with the proceeds of the \$350 million bond offering.

(e) Includes a \$3 million or \$0.09 per share tax benefit related to the resolution of outstanding tax issues.