

The Goodyear Tire & Rubber Company and Subsidiaries
Consolidated Statements of Operations

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	(Unaudited)			
<i>(In millions, except per share amounts)</i>				
NET SALES	\$ 4,437	\$ 4,135	\$16,301	\$19,488
Cost of Goods Sold	3,581	3,666	13,676	16,139
Selling, Administrative and General Expense	640	603	2,404	2,600
Rationalizations	20	50	227	184
Interest Expense	83	82	311	320
Other (Income) and Expense	<u>(26)</u>	<u>83</u>	<u>40</u>	<u>59</u>
Income (Loss) before Income Taxes	139	(349)	(357)	186
United States and Foreign Taxes	<u>4</u>	<u>(8)</u>	<u>7</u>	<u>209</u>
Net Income (Loss)	135	(341)	(364)	(23)
Less: Minority Shareholders' Net Income (Loss)	<u>28</u>	<u>(11)</u>	<u>11</u>	<u>54</u>
Goodyear Net Income (Loss)	<u>\$ 107</u>	<u>\$ (330)</u>	<u>\$ (375)</u>	<u>\$ (77)</u>
Goodyear Net Income (Loss) – Per Share				
Basic	<u>\$ 0.44</u>	<u>\$ (1.37)</u>	<u>\$ (1.55)</u>	<u>\$ (0.32)</u>
Weighted Average Shares Outstanding	242	241	241	241
Diluted	<u>\$ 0.44</u>	<u>\$ (1.37)</u>	<u>\$ (1.55)</u>	<u>\$ (0.32)</u>
Weighted Average Shares Outstanding	245	241	241	241

(more)

The Goodyear Tire & Rubber Company and Subsidiaries

Consolidated Balance Sheets

(In millions)

	December 31, 2009	December 31, 2008
Assets		
Current Assets:		
Cash and Cash Equivalents	\$1,922	\$1,894
Accounts Receivable	2,540	2,517
Inventories	2,443	3,592
Prepaid Expenses and Other Current Assets	<u>320</u>	<u>307</u>
Total Current Assets	7,225	8,310
Goodwill	706	683
Intangible Assets	164	160
Deferred Income Taxes	43	54
Other Assets	429	385
Property, Plant and Equipment	<u>5,843</u>	<u>5,634</u>
Total Assets	<u>\$14,410</u>	<u>\$15,226</u>
Liabilities		
Current Liabilities:		
Accounts Payable-Trade	\$2,278	\$2,529
Compensation and Benefits	635	625
Other Current Liabilities	844	778
Notes Payable and Overdrafts	224	265
Long Term Debt and Capital Leases due Within One Year	<u>114</u>	<u>582</u>
Total Current Liabilities	4,095	4,779
Long Term Debt and Capital Leases	4,182	4,132
Compensation and Benefits	3,526	3,487
Deferred and Other Noncurrent Income Taxes	235	193
Other Long Term Liabilities	<u>793</u>	<u>763</u>
Total Liabilities	12,831	13,354
Commitments and Contingent Liabilities	-	-
Minority Shareholders' Equity	593	619
Shareholders' Equity		
Goodyear Shareholders' Equity		
Preferred Stock, no par value:		
Authorized, 50 shares, unissued	-	-
Common Stock, no par value:		
Authorized, 450 shares, Outstanding shares, 242 (241 in 2008)	242	241
Capital Surplus	2,783	2,764
Retained Earnings	1,082	1,463
Accumulated Other Comprehensive Loss	<u>(3,372)</u>	<u>(3,446)</u>
Goodyear Shareholders' Equity	735	1,022
Minority Shareholders' Equity – Nonredeemable	<u>251</u>	<u>231</u>
Total Shareholders' Equity	986	1,253
Total Liabilities and Shareholders' Equity	<u>\$14,410</u>	<u>\$15,226</u>

(more)

Non-GAAP Financial Measures

This earnings release presents total segment operating income, which is an important financial measure for the company but is not a financial measure defined by U.S. GAAP.

Total segment operating income is the sum of the individual strategic business units' segment operating income as determined in accordance with U.S. GAAP. Management believes that total segment operating income is useful because it represents the aggregate value of income created by the company's SBUs and excludes items not directly related to the SBUs for performance evaluation purposes. See the table below for the reconciliation of total segment operating income.

Total Segment Operating Income Reconciliation Table

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	(Unaudited)			
<i>(In millions)</i>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Segment Operating Income (Loss)	\$249	\$(159)	\$372	\$804
Rationalizations	(20)	(50)	(227)	(184)
Interest expense	(83)	(82)	(311)	(320)
Other income and (expense)	26	(83)	(40)	(59)
Asset write-offs and accelerated depreciation	(3)	(11)	(43)	(28)
Corporate incentive compensation plans	(12)	12	(41)	4
Intercompany profit elimination	--	29	(13)	23
Curtailment/settlements	--	2	--	(9)
Other	<u>(18)</u>	<u>(7)</u>	<u>(54)</u>	<u>(45)</u>
Income (Loss) before Income Taxes	<u>\$139</u>	<u>\$(349)</u>	<u>(\$357)</u>	<u>\$186</u>

Fourth Quarter Significant Items (after taxes and minority interest)

2009

- Rationalizations, asset write-offs and accelerated depreciation, \$20 million (8 cents per share).
- Expenses related to a legal reserve for a closed facility, \$4 million (2 cents per share).
- Net tax benefits related to employee benefit plans, \$64 million (26 cents per share).
- Net tax benefits primarily related to the release of a valuation allowance in Australia, \$21 million (8 cents per share).
- Gain on insurance proceeds from the settlement of a claim related to a 2007 fire in Thailand, \$13 million (5 cents per share).
- Net gain on asset sales, \$2 million (1 cent per share).

2008

- Net rationalizations and accelerated depreciation, \$49 million (21 cents per share).
- Loss on liquidation of a Jamaican subsidiary, \$16 million (7 cents per share).
- Valuation allowance related to an investment, \$5 million (2 cents per share).
- Expenses related to hurricanes in North America, \$2 million (1 cent per share).
- Gain on asset sales, \$13 million (5 cent per share).
- Various discrete net tax benefits, \$9 million (4 cents per share).
- Net gain on settlements with certain suppliers, \$7 million (3 cents per share).