

The Goodyear Tire & Rubber Company and Subsidiaries
Consolidated Statement of Operations (unaudited)

(In millions, except per share amounts)

	Three Months Ended	
	March 31,	
	<u>2012</u>	<u>2011</u>
NET SALES	\$5,533	\$5,402
Cost of Goods Sold	4,607	4,461
Selling, Administrative and General Expense	662	668
Rationalizations	15	9
Interest Expense	101	74
Other Expense	<u>92</u>	<u>4</u>
Income before Income Taxes	56	186
United States and Foreign Taxes	<u>48</u>	<u>62</u>
Net Income	8	124
Less: Minority Shareholders' Net Income	<u>12</u>	<u>21</u>
Goodyear Net (Loss) Income	(4)	103
Less: Preferred Stock Dividends	<u>7</u>	<u>--</u>
Goodyear Net (Loss) Income Available to Common Shareholders	<u>\$ (11)</u>	<u>\$ 103</u>
Goodyear Net (Loss) Income Available to Common Shareholders - Per Share of Common Stock		
Basic	<u>\$ (0.05)</u>	<u>\$ 0.42</u>
Weighted Average Shares Outstanding	244	243
Diluted	<u>\$ (0.05)</u>	<u>\$ 0.42</u>
Weighted Average Shares Outstanding	244	246

(more)

The Goodyear Tire & Rubber Company and Subsidiaries

Consolidated Balance Sheets (unaudited)

(In millions, except share data)

	March 31, <u>2012</u>	December 31, <u>2011</u>
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,083	\$ 2,772
Accounts Receivable, less Allowance - \$106 (\$97 in 2011)	3,530	2,849
Inventories:		
Raw Materials	904	937
Work in Process	207	186
Finished Products	<u>2,858</u>	<u>2,733</u>
	3,969	3,856
Prepaid Expenses and Other Current Assets	<u>406</u>	<u>335</u>
Total Current Assets	9,988	9,812
Goodwill	672	654
Intangible Assets	157	157
Deferred Income Taxes	148	145
Other Assets	497	486
Property, Plant and Equipment		
less Accumulated Depreciation - \$8,835 (\$8,629 in 2011)	<u>6,528</u>	<u>6,375</u>
Total Assets	<u>\$ 17,990</u>	<u>\$ 17,629</u>
Liabilities:		
Current Liabilities:		
Accounts Payable-Trade	\$ 3,571	\$ 3,668
Compensation and Benefits	766	799
Other Current Liabilities	1,099	1,050
Notes Payable and Overdrafts	291	256
Long Term Debt and Capital Leases due Within One Year	<u>154</u>	<u>156</u>
Total Current Liabilities	5,881	5,929
Long Term Debt and Capital Leases	5,186	4,789
Compensation and Benefits	3,885	4,002
Deferred and Other Noncurrent Income Taxes	253	244
Other Long Term Liabilities	<u>1,008</u>	<u>1,041</u>
Total Liabilities	16,213	16,005
Commitments and Contingent Liabilities		
Minority Shareholders' Equity	626	607
Shareholders' Equity:		
Goodyear Shareholders' Equity:		
Preferred Stock, no par value:		
Authorized, 50 million shares, Outstanding shares – 10 million (10 million in 2011), liquidation preference \$50 per share	500	500
Common Stock, no par value:		
Authorized, 450 million shares, Outstanding shares – 245 million (245 million in 2011) after deducting 6 million treasury shares (6 million in 2011)	245	245
Capital Surplus	2,809	2,808
Retained Earnings	1,176	1,187
Accumulated Other Comprehensive Loss	<u>(3,867)</u>	<u>(3,991)</u>
Goodyear Shareholders' Equity	863	749
Minority Shareholders' Equity – Nonredeemable	<u>288</u>	<u>268</u>
Total Shareholders' Equity	1,151	1,017
Total Liabilities and Shareholders' Equity	<u>\$ 17,990</u>	<u>\$ 17,629</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 March 31, (unaudited)	
<i>(In millions)</i>	<u>2012</u>	<u>2011</u>
Segment Operating Income	\$292	\$327
Rationalizations	(15)	(9)
Interest expense	(101)	(74)
Other expense	(92)	(4)
Asset write-offs and accelerated depreciation	(2)	(9)
Corporate incentive compensation plans	(7)	(14)
Intercompany profit elimination	(10)	(9)
Retained expenses of divested operations	(4)	(5)
Other	<u>(5)</u>	<u>(17)</u>
Income before Income Taxes	<u>\$56</u>	<u>\$ 186</u>

First Quarter Significant Items (after tax and minority interest)

2012

- Charges resulting from the early redemption of senior notes, \$86 million (35 cents per share).
- Rationalizations, asset write-offs and accelerated depreciation charges, \$14 million (6 cents per share).
- Discrete tax charges, \$3 million (1 cent per share).
- Net insurance recoveries resulting from impact of Thailand flood, \$5 million (2 cents per share).
- Net gains on asset sales, \$3 million (1 cent per share).

2011

- Rationalizations and accelerated depreciation charges, \$18 million (7 cents per share).
- Discrete tax charges, \$6 million (2 cents per share).