



**Fourth Quarter 2015 Conference Call**  
**February 9, 2016**

# Forward-Looking Statements



Certain information contained in this presentation constitutes forward-looking statements for purposes of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. There are a variety of factors, many of which are beyond our control, that affect our operations, performance, business strategy and results and could cause our actual results and experience to differ materially from the assumptions, expectations and objectives expressed in any forward-looking statements. These factors include, but are not limited to: our ability to implement successfully our strategic initiatives; actions and initiatives taken by both current and potential competitors; foreign currency translation and transaction risks; a labor strike, work stoppage or other similar event; deteriorating economic conditions or an inability to access capital markets; work stoppages, financial difficulties or supply disruptions at our suppliers or customers; the adequacy of our capital expenditures; increases in the prices paid for raw materials and energy; our failure to comply with a material covenant in our debt obligations; potential adverse consequences of litigation involving the company; as well as the effects of more general factors such as changes in general market, economic or political conditions or in legislation, regulation or public policy. Additional factors are discussed in our filings with the Securities and Exchange Commission, including our annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K. In addition, any forward-looking statements represent our estimates only as of today and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

# Highlights



- **Record full-year segment operating income tops \$2.0 billion, an increase of more than 18%<sup>(a)</sup>**
- **Full-year cash flow from operating activities of \$1.7 billion**
- **North America sets full-year earnings record of \$1.1 billion**
- **Asia Pacific sets full-year earnings record of \$319 million**
- **Increased share repurchase authorization by \$650 million to \$1.1 billion**

(a) See Segment Operating Income and Margin reconciliation in Appendix on page 28.

# Strategy Roadmap

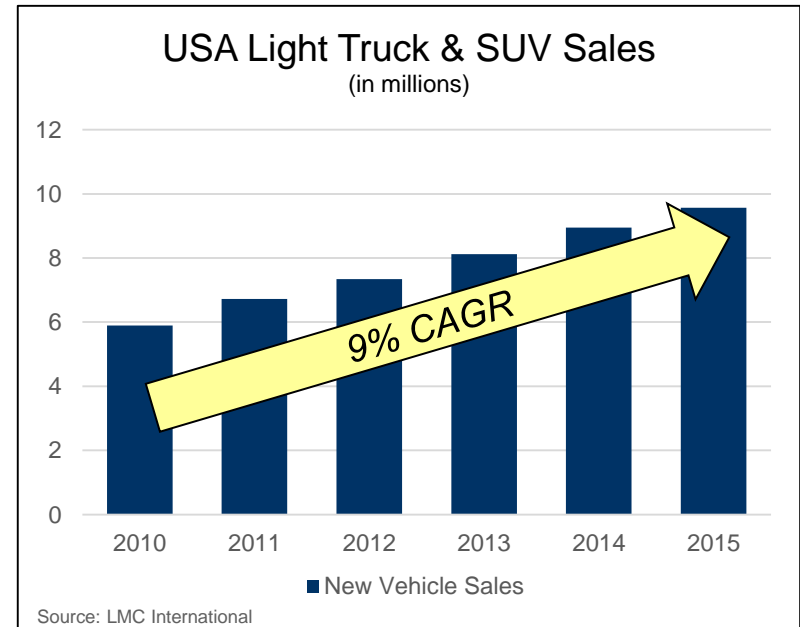




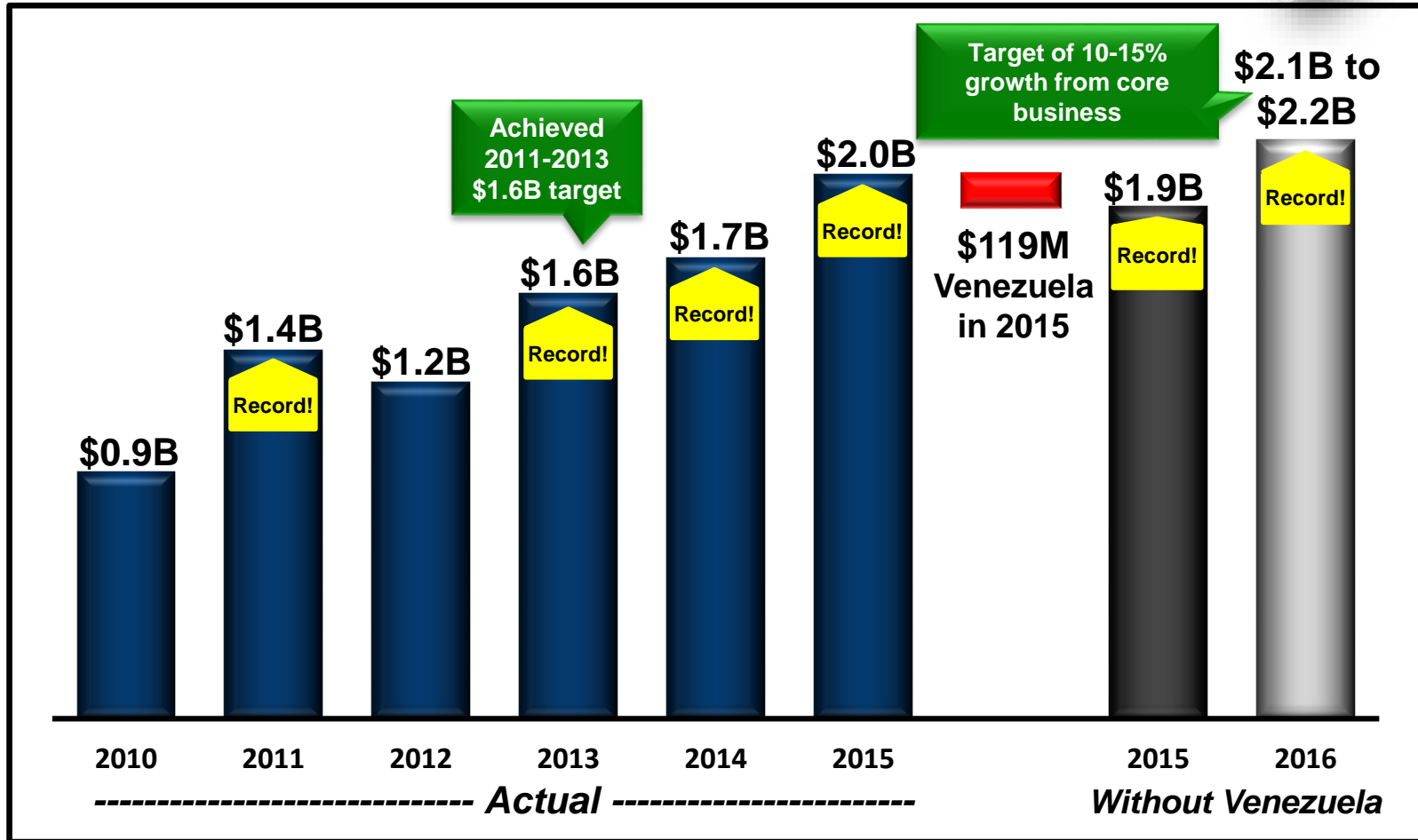
# North America Industry Leading Products



*Goodyear products represented on 75% of 2015 Top 15 Selling SUVs and Light Trucks in the USA*



# Goodyear's Journey Segment Operating Income (a)



**Consistently meeting our financial targets despite challenging economic environments globally**

(a) See Segment Operating Income and Margin reconciliation in Appendix on page 28.

# Fourth Quarter 2015 Income Statement



In millions, except EPS	Three Months Ended		
	December 31, 2015	December 31, 2014	Change
Units	42.1	39.5	7%
Net Sales	\$ 4,063	\$ 4,356	(7)%
<i>Gross Margin</i>	24.4%	23.3%	1.1 pts
SAG	\$ 725	\$ 702	3%
Segment Operating Income <sup>(a)</sup>	\$ 476	\$ 359	33%
<i>Segment Operating Margin<sup>(a)</sup></i>	11.7%	8.2%	3.5 pts
Goodyear Net Income (Loss)	\$ (380)	\$ 2,129	
Goodyear Net Income (Loss) Per Share			
<i>Weighted Average Shares Outstanding</i>	269	272	
Basic	\$ (1.42)	\$ 7.82	
<i>Weighted Average Shares Outstanding - Diluted</i>	269	272	
Diluted	\$ (1.42)	\$ 7.68	
Cash Dividends Declared Per Common Share	\$ 0.07	\$ 0.06	
Adjusted Diluted Earnings Per Share <sup>(b)</sup>	\$ 0.93	\$ 0.59	
US Tax Adjusted Diluted Earnings Per Share <sup>(b)</sup>	\$ 0.83	\$ 0.59	

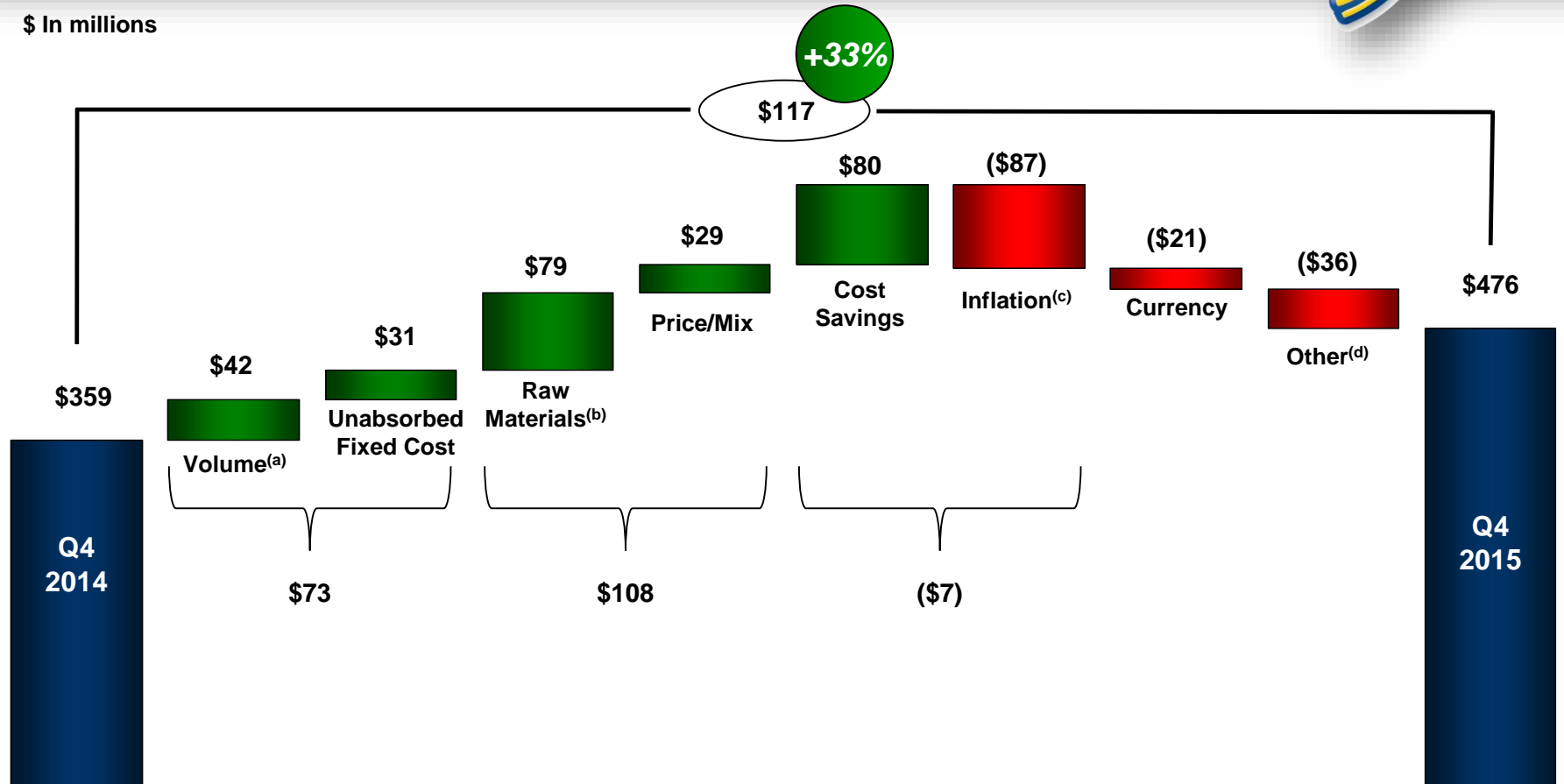
(a) See Segment Operating Income and Margin reconciliation in Appendix on page 28.

(b) See Adjusted Diluted Earnings Per Share and US Tax Adjusted Diluted Earnings Per Share reconciliations in Appendix on pages 21 and 22.

# Fourth Quarter 2015 Segment Operating Results



\$ In millions



**Strong financial performance overcoming challenging economies**

(a) Volume variance includes the incremental gross margin benefit from the acquisition of Nippon Goodyear in Japan.  
 (b) Raw material variance of \$79 million excludes raw material cost saving measures of \$58 million, which are included in Cost Savings.  
 (c) Estimated impact of inflation (wages, utilities, energy, transportation and other).  
 (d) Includes the impact of other tire related businesses, including the sale of North American motorcycle business, and research and development.



# Fourth Quarter 2015 - Balance Sheet

## Pro Forma to reflect Euro Note Redemption



\$ In millions

	<i>Pro Forma</i> December 31, 2015	September 30, 2015	December 31, 2014
Cash and cash equivalents <sup>(a)</sup>	\$ 1,195	\$ 1,690	\$ 2,161
Accounts receivable	2,033	2,616	2,126
Inventories	2,464	2,544	2,671
Accounts payable - trade	(2,769)	(2,576)	(2,878)
Working capital <sup>(b)</sup>	<u>\$ 1,728</u>	<u>\$ 2,584</u>	<u>\$ 1,919</u>
Total debt <sup>(a)(c)</sup>	\$ 5,484	\$ 6,000	\$ 6,394
Net debt <sup>(a)(c)</sup>	\$ 4,289	\$ 4,310	\$ 4,233
Memo:			
Net Global Pension Liability	\$ 642		\$ 714
Adjusted Debt / EBITDAP <sup>(d)</sup>	2.45x		2.96x

(a) The December 31, 2015 balance reflects the redemption of the €250 million (\$272 million) 6.75% Euro Notes due 2019 that occurred on January 14, 2016.

(b) Working capital represents accounts receivable and inventories, less accounts payable - trade.

(c) See Total Debt and Net Debt reconciliation in Appendix on page 29.

(d) See EBITDAP, adjusted debt and leverage ratio reconciliations in Appendix on page 30.

# Free Cash Flow from Operations



\$ In millions

	Year Ending December 31,	
	2015	2014
<b>Net Income</b>	<b>\$ 376</b>	<b>\$ 2,521</b>
Depreciation and Amortization	698	732
Change in Working Capital	(42)	(1)
Pension Expense	135	158
Provision for Deferred Income Taxes <sup>(a)</sup>	79	(1,970)
Loss on Deconsolidation of Venezuelan Subsidiary <sup>(b)</sup>	646	-
Gain on Recognition of Deferred Royalty Income <sup>(c)</sup>	(155)	-
Capital Expenditures	(983)	(923)
Other	197	464
<b>Free Cash Flow from Operations (non-GAAP)<sup>(d)</sup></b>	<b>\$ 951</b>	<b>\$ 981</b>

(a) The increase in Provision for Deferred Income Taxes is primarily due to the reversal of the valuation allowance on our US deferred tax assets in the fourth quarter of 2014.

(b) Loss on Deconsolidation of Venezuelan Subsidiary represents a one-time charge associated with the deconsolidation of our operations in Venezuela effective December 31, 2015.

(c) Gain on Recognition of Deferred Royalty Income is due to a one-time pre-tax gain of \$155 million on the recognition of deferred income resulting from the termination of a licensing agreement associated with the sale of our former Engineered Products business.

(d) See Free Cash Flow from Operations reconciliation in Appendix on page 31.

# Fourth Quarter 2015 Segment Results



In millions

## North America

	2015	2014	Change
Units	15.4	16.0	(3.8%)
Net Sales	\$1,912	\$2,105	(9.2%)
Operating Income	\$266	\$229	16.2%
Margin	13.9%	10.9%	

## Europe, Middle East and Africa

	2015	2014	Change
Units	14.2	12.8	10.9%
Net Sales	\$1,191	\$1,306	(8.8%)
Operating Income	\$100	\$30	233.3%
Margin	8.4%	2.3%	

## Asia Pacific

	2015	2014	Change
Units	8.3	6.0	38.3%
Net Sales	\$559	\$511	9.4%
Operating Income	\$96	\$80	20.0%
Margin	17.2%	15.7%	

## Latin America

	2015	2014	Change
Units	4.2	4.7	(10.6%)
Net Sales	\$401	\$434	(7.6%)
Operating Income	\$14	\$20	(30.0%)
Margin	3.5%	4.6%	

# 2016 Key Segment Operating Income Drivers



Driver	2015 Results excluding Venezuela	Current Outlook 2016 vs 2015	Comments
Global Volume	+3%	~3%	• Core business unit volume of 164.8 million in 2015
Price/Mix vs. Raw Materials	\$77 million	~\$75 million	• Raw material costs down ~5%
Overhead Absorption	(\$3) million	~\$50 million	• Reflects increased volume growth throughout the year
Cost Savings vs. Inflation	\$227 million	~\$135 million	• See Appendix page 16
Foreign Exchange	(\$142) million	~(\$45) million	• Based on current spot rates
Motorcycle	(\$7) million	~(\$30) million	• Sale of the North American motorcycle business
Other	\$8 million	~(\$35) million	• Americas' plant start up costs and advertising

**2016 full-year Segment Operating Income growth target of \$2.1 to \$2.2 billion**

# 2016 Outlook

## Other Financial Assumptions



	2016 FY Assumption
Interest Expense	\$350 - \$375 million
Financing Fees	~\$60 million
Income Tax	Expense: ~30% of global pre-tax operating income Cash: 10-15% of global pre-tax operating income
Depreciation & Amortization	~\$700 million
Global Pension Expense	\$65 - \$85 million
Global Pension Cash Contributions	\$50 - \$75 million
Working Capital	Use of ~\$50 million
Capital Expenditures	\$1.0 - \$1.1 billion
Corporate Other	~\$165 million



# 2014-2016 Capital Allocation Plan Update Delivering Shareholder Returns



	Prior Plan (Feb. 2015)	Update (Feb. 2016)
Growth CapEx	~ \$1.15B	~\$0.9B
Dividends/ Share Repurchase	\$0.6 - \$1.25B	\$1.1 - \$1.3B <sup>(a)</sup>
Restructurings	~ \$0.6B	~ \$0.7B
Debt Repayment / Pension Funding	\$0.8 - \$0.9B	~\$0.9B
	<b>\$3.6 - \$3.8B</b>	<b>\$3.6 - \$3.8B</b>

**Share repurchase authorization increased \$650 million to \$1.1 billion**

(a) \$0.65B previously approved by the Board of Directors with \$0.45B authorized for share repurchase on May 27, 2014; additional \$0.65B authorized for share repurchase by the Board of Directors on February 4, 2016 with actual amount dependent on Company performance including the achievement of financial targets.

The background features a dark blue field with a subtle grid pattern. Overlaid on this are several dynamic, wavy lines in shades of blue and yellow. A prominent yellow line with a white dashed border curves across the lower half of the image. The word "Appendix" is centered in a bold, italicized yellow font.

# *Appendix*

# SOI Driver Detail

## Cost Savings vs Inflation - Excluding Venezuela

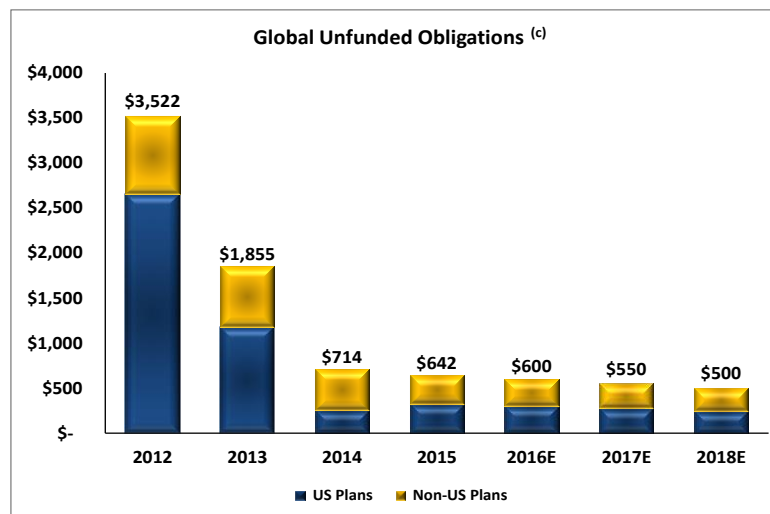
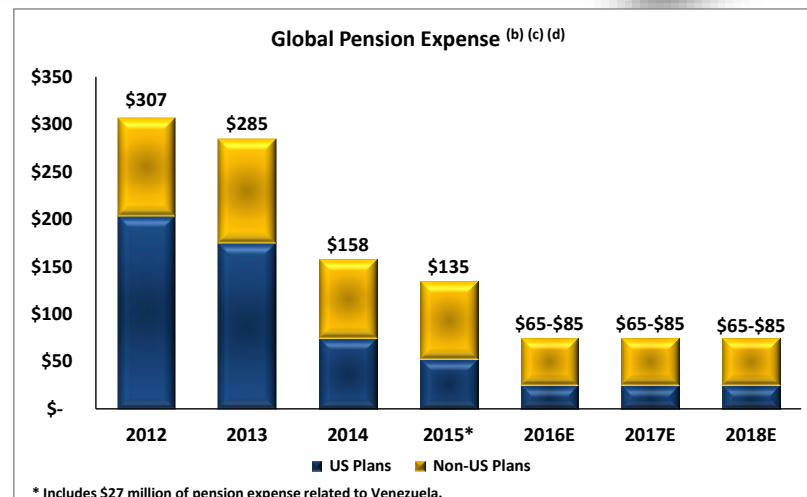
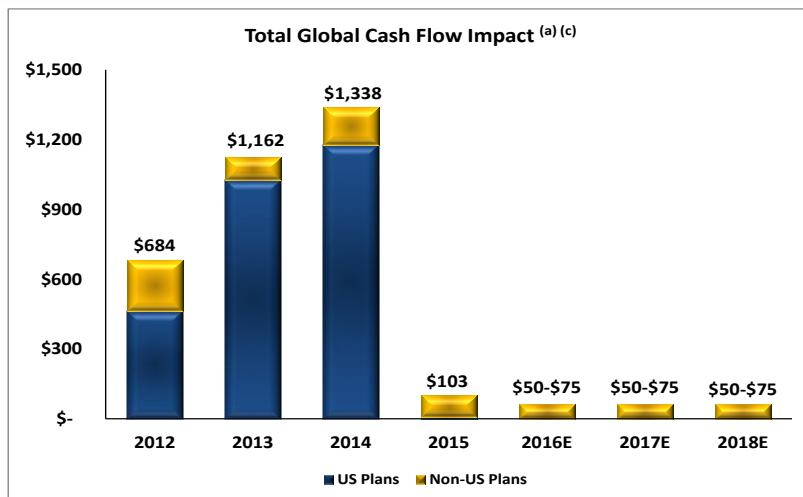


Driver	2015 vs 2014	2016 vs 2015	Comments
Underlying Net Cost Savings	\$176 million	~\$160 million	<ul style="list-style-type: none"><li>Includes incremental SAG from the inclusion of the Japanese replacement business</li></ul>
General & Product Liability	\$35 million	~(\$30) million	<ul style="list-style-type: none"><li>2015 includes a benefit resulting from favorable claim experience</li></ul>
Corporate Cost Allocation to SOI	(\$7) million	~(\$25) million	<ul style="list-style-type: none"><li>Transition of costs associated with centralized initiatives to SBUs; offset in Corporate Other; EBIT neutral</li></ul>
Pension Expense	\$23 million	~\$30 million	<ul style="list-style-type: none"><li>2016 includes a \$45 million benefit for the change to the spot rate method for pension expense partially offset by amortization of actuarial losses</li></ul>
Cost Savings vs Inflation	\$227 million	~\$135 million	

# Pension Update



\$ in millions



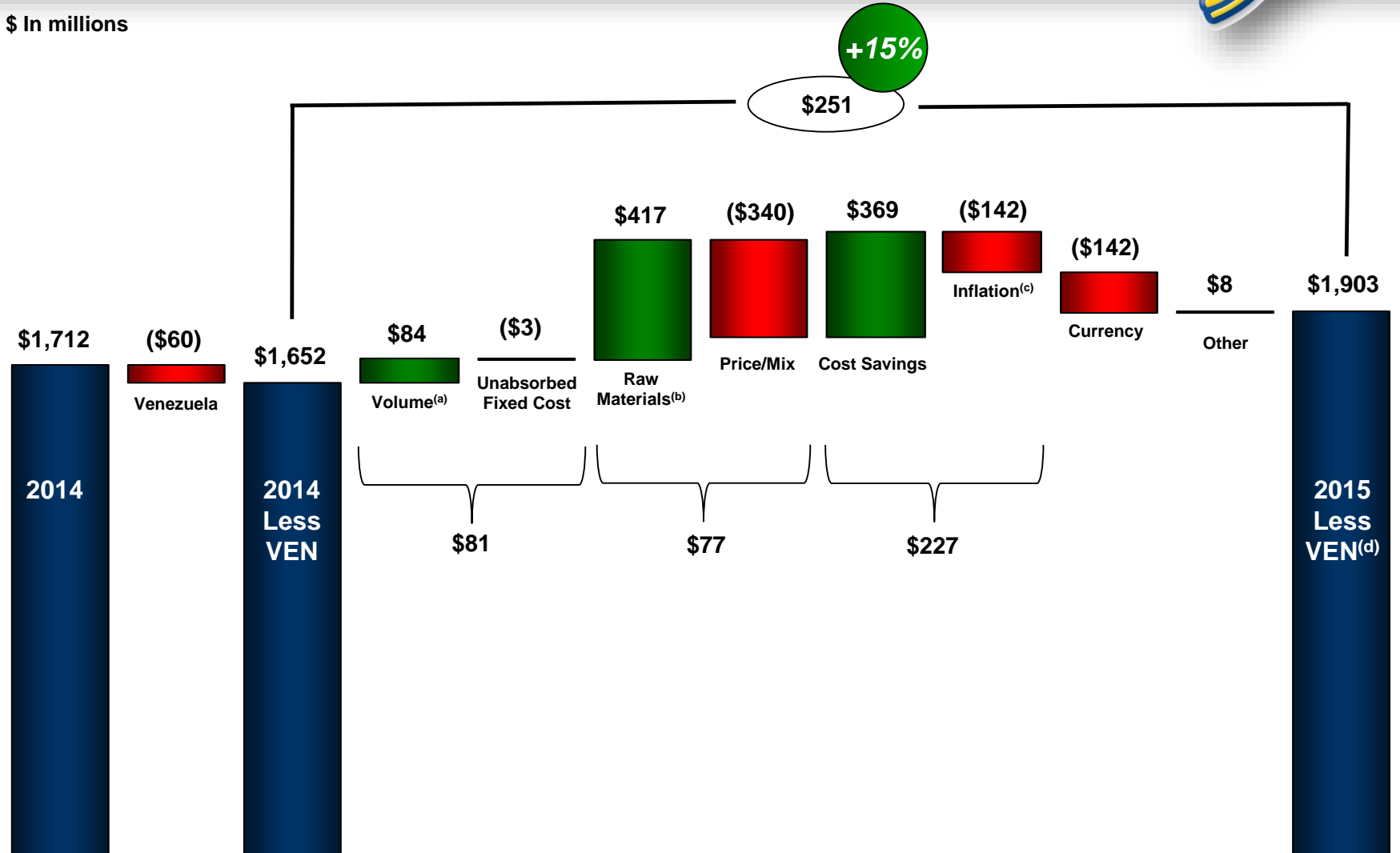
- a) Includes cash funding for direct benefit payments for 2012 - 2015 only.
- b) Excludes one-time charges and benefits from pension settlements and curtailments.
- c) 2016E - 2018E are based on assumptions as of December 31, 2015 and reflects the deconsolidation of our Venezuelan subsidiary.
- d) 2016E - 2018E reflects a change in accounting estimate to the use of the spot rate approach for determining interest and service costs.

# Full Year 2015 Segment Operating Results

## Pro Forma for Venezuelan Subsidiary Deconsolidation



\$ In millions



(a) Volume variance includes the incremental gross margin benefit from the acquisition of Nippon Goodyear in Japan.  
 (b) Raw material variance of \$417 million excludes raw material cost saving measures of \$228 million, which are included in Cost Savings above.  
 (c) Estimated impact of inflation (wages, utilities, energy, transportation and other).  
 (d) Excludes 2015 Venezuelan earnings of \$119 million from total reported Segment Operating Income of \$2,022 million.

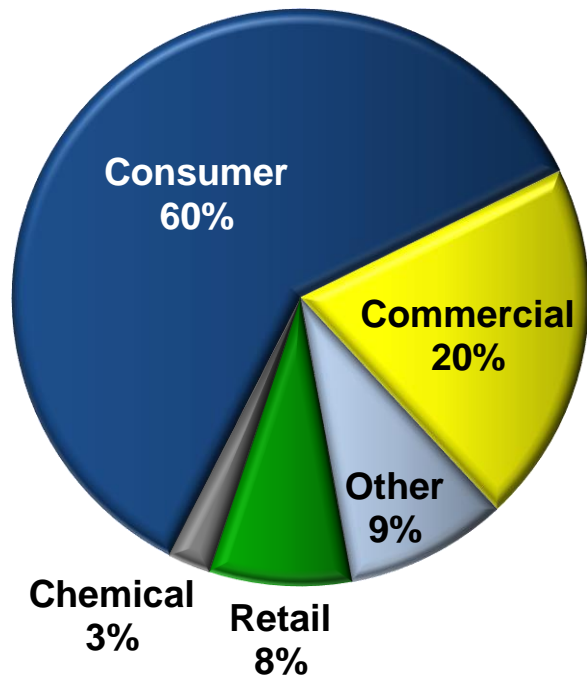


# Full Year 2015 Tire Unit & Sales Summary



in millions

**2015 Sales = \$16,443**



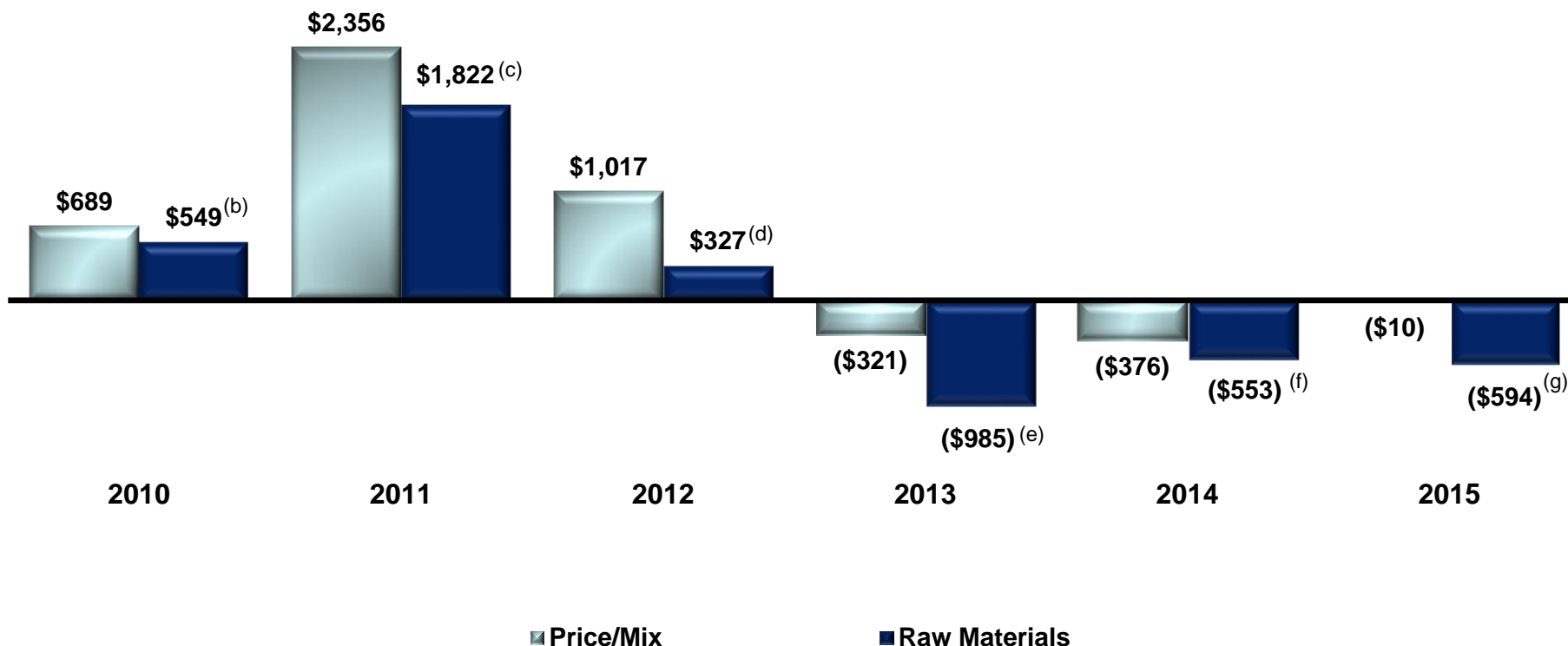
## Unit/Sales Mix

	<u>2015</u>	<u>2014</u>	<u>% Change</u>
<b><u>Consumer</u></b>			
Units	152.4	147.4	3.4%
Sales	\$9,907	\$10,510	(5.7%)
<hr/>			
<b><u>Commercial</u></b>			
Units	12.4	12.6	(2.1%)
Sales	\$3,342	\$3,849	(13.2%)

# Price/Mix vs. Raw Materials<sup>(a)</sup>



\$ in millions



(a) Reflects impact on Segment Operating Income. Includes Venezuela. Raw materials include the impact of raw material cost savings measures.

(b) Raw material variance of \$549 million includes raw material cost savings measures of \$136 million.

(c) Raw material variance of \$1,822 million includes raw material cost savings measures of \$177 million.

(d) Raw material variance of \$327 million includes raw material cost savings measures of \$249 million.

(e) Raw material variance of (\$985) million includes raw material cost savings measures of \$228 million.

(f) Raw material variance of (\$553) million includes raw material cost savings measures of \$269 million.

(g) Raw material variance of (\$594) million includes raw material cost savings measures of \$228 million.

# Fourth Quarter 2015 Significant Items (After Tax and Minority Interest)



\$ and shares in millions (except EPS)

	As Reported	Loss on Deconsolidation of Venezuelan Subsidiary	Pension Settlement	Debt Repayments	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Net Income and Other Discrete Tax Benefits	SRI Share Sale	Transaction Costs and Net Gains on Asset Sales	As Adjusted	Tax Expense (Benefit) in excess of US Cash Tax Payments	US Tax Adjusted Diluted Earnings Per Share <sup>(a)</sup>
Net Sales	\$ 4,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,063	\$ -	\$ 4,063
Cost of Goods Sold	3,071	-	(88)	-	(4)	-	-	-	2,979	-	2,979
Gross Margin	992	-	88	-	4	-	-	-	1,084	-	1,084
SAG	725	-	(49)	-	-	2	-	1	679	-	679
Rationalizations	32	-	-	-	(32)	-	-	-	-	-	-
Interest Expense	101	-	-	-	-	-	-	-	101	-	101
Loss on Deconsolidation of Venezuelan Subsidiary	646	(646)	-	-	-	-	-	-	-	-	-
Other (Income) Expense	(2)	-	-	(57)	-	-	30	50	21	-	21
Pre-tax Income (Loss)	(510)	646	137	57	36	(2)	(30)	(51)	283	-	283
Taxes	(137)	69	51	22	6	18	2	(11)	20	27	47
Minority Interest	7	-	-	-	-	-	-	(1)	6	-	6
Goodyear Net Income (Loss)	\$ (380)	\$ 577	\$ 86	\$ 35	\$ 30	\$ (20)	\$ (32)	\$ (39)	\$ 257	\$ (27)	\$ 230
EPS <sup>(b)</sup>	\$ (1.39)	\$ 2.11	\$ 0.31	\$ 0.13	\$ 0.11	\$ (0.07)	\$ (0.12)	\$ (0.15)	\$ 0.93	\$ (0.10)	\$ 0.83

(a) US Tax Adjusted Diluted Earnings per Share excludes the effect of non-cash US tax expense (benefit) as a result of the reversal of the valuation allowance on our US deferred tax assets in the fourth quarter 2014. The company does not expect to pay significant cash income taxes in the US through 2020. The company believes the presentation of this non-GAAP measure is important as it facilitates a consistent comparison of net income and earnings per share versus the prior year.

(b) Calculation of Adjusted Diluted EPS reflects 4 million weighted average shares outstanding for stock options and other securities not included in EPS – As Reported as their inclusion was anti-dilutive.

# Fourth Quarter 2014 Significant Items (After Tax and Minority Interest)



\$ and shares in millions (except EPS)

	As Reported	Net Venezuelan Currency Losses	Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	Net Gains on Asset Sales	Net Income and Other Discrete Tax Benefits	As Adjusted	Tax Expense in excess of US Cash Tax Payments	US Tax Adjusted Diluted Earnings Per Share
Net Sales	\$ 4,356	\$ -	\$ -	\$ -	\$ -	\$ 4,356	\$ -	\$ 4,356
Cost of Goods Sold	3,340	-	(4)	-	(14)	3,322	-	3,322
Gross Margin	1,016	-	4	-	14	1,034	-	1,034
SAG	702	-	-	-	-	702	-	702
Rationalizations	15	-	(15)	-	-	-	-	-
Interest Expense	113	-	-	-	(2)	111	-	111
Other (Income) Expense	60	(45)	-	7	-	22	-	22
Pre-tax Income	126	45	19	(7)	16	199	-	199
Taxes	(2,002)	-	2	-	2,028	28	-	28
Minority Interest	(1)	-	5	-	1	5	-	5
Goodyear Net Income	\$ 2,129	\$ 45	\$ 12	\$ (7)	\$ (2,013)	\$ 166	\$ -	\$ 166
EPS	\$ 7.68	\$ 0.16	\$ 0.04	\$ (0.03)	\$ (7.26)	\$ 0.59	\$ -	\$ 0.59

# Full Year 2015 Significant Items (After Tax and Minority Interest)



\$ and shares in millions (except EPS)

	As Reported	Loss on Deconsolidation of Venezuelan Subsidiary	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Pension Settlement	Debt Repayments	Charges for Labor Claims Related to a Closed Facility in Greece	Insurance Recovery - Discontinued Products	Transaction Costs and Net Gains on Asset Sales	Net Income and Other Discrete Tax Benefits	SRI Share Sale	Gain on Recognition of Deferred Royalty Income	As Adjusted	Tax Expense in excess of US Cash Tax Payments	US Tax Adjusted Diluted Earnings Per Share <sup>(a)</sup>
Net Sales	\$ 16,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,443	\$ -	\$ 16,443
Cost of Goods Sold	12,164	-	(9)	(88)	-	-	-	-	1	-	-	12,068	-	12,068
Gross Margin	4,279	-	9	88	-	-	-	-	(1)	-	-	4,375	-	4,375
SAG	2,614	-	-	(49)	-	-	-	(6)	2	-	-	2,561	-	2,561
Rationalizations	114	-	(114)	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	412	-	-	-	-	-	-	-	-	-	-	412	-	412
Loss on Deconsolidation of Venezuelan Subsidiary	646	(646)	-	-	-	-	-	-	-	-	-	-	-	-
Other (Income) Expense	(115)	-	-	-	(57)	(4)	25	41	1	30	155	76	-	76
Pre-tax Income	608	646	123	137	57	4	(25)	(35)	(4)	(30)	(155)	1,326	-	1,326
Taxes	232	69	14	51	22	-	(9)	(11)	19	2	(56)	333	(165)	168
Minority Interest	69	-	17	-	-	-	-	(1)	2	-	-	87	-	87
Goodyear Net Income	\$ 307	\$ 577	\$ 92	\$ 86	\$ 35	\$ 4	\$ (16)	\$ (23)	\$ (25)	\$ (32)	\$ (99)	\$ 906	\$ 165	\$ 1,071
EPS	\$ 1.12	\$ 2.11	\$ 0.34	\$ 0.31	\$ 0.13	\$ 0.02	\$ (0.06)	\$ (0.08)	\$ (0.09)	\$ (0.12)	\$ (0.36)	\$ 3.32	\$ 0.60	\$ 3.92

(a) US Tax Adjusted Diluted Earnings per Share excludes the effect of non-cash US tax expense as a result of the reversal of the valuation allowance on our US deferred tax assets in the fourth quarter 2014. The company does not expect to pay significant cash income taxes in the US through 2020. The company believes the presentation of this non-GAAP measure is important as it facilitates a consistent comparison of net income and earnings per share versus the prior year.



# Full Year 2014 Significant Items (After Tax and Minority Interest)



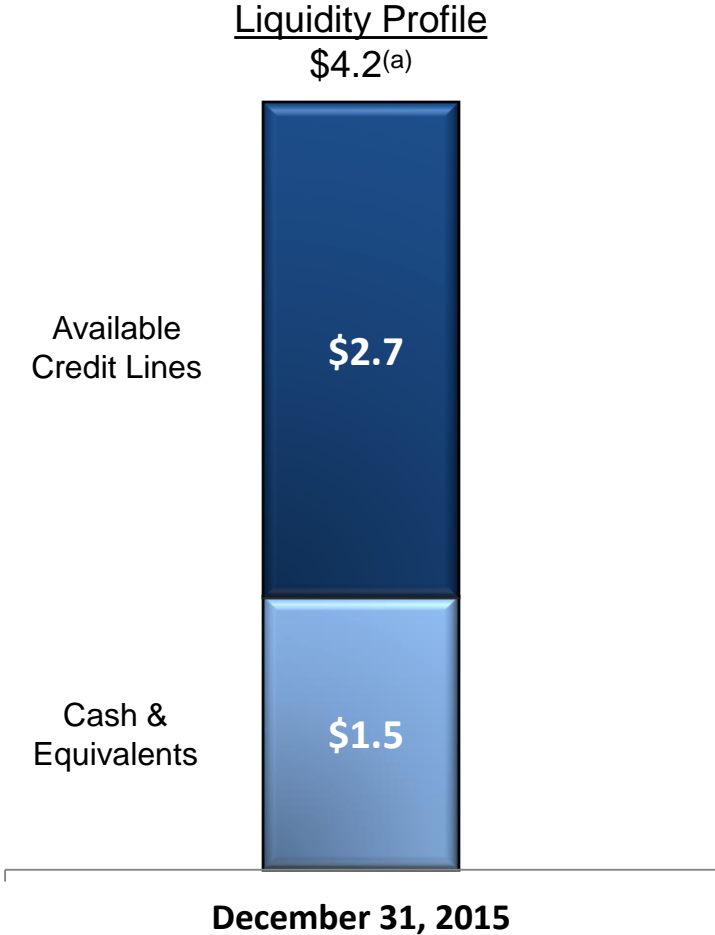
\$ and shares in millions (except EPS)

	As Reported	Net Venezuelan Currency Losses	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Pension Curtailments and Settlements	Charges for Labor Claims Related to a Closed Facility in Greece	Government Investigation in Africa	Net Gains on Asset Sales	Net Income and Other Discrete Tax Benefits	As Adjusted	Tax Expense in excess of US Cash Tax Payments	US Tax Adjusted Diluted Earnings Per Share
Net Sales	\$ 18,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,138	\$ -	\$ 18,138
Cost of Goods Sold	13,906	-	(7)	(38)	-	-	-	(11)	13,850	-	13,850
Gross Margin	4,232	-	7	38	-	-	-	11	4,288	-	4,288
SAG	2,720	-	-	-	-	-	-	-	2,720	-	2,720
Rationalizations	95	-	(95)	-	-	-	-	-	-	-	-
Interest Expense	428	-	-	-	-	-	-	6	434	-	434
Other (Income) Expense	302	(200)	-	-	(22)	(16)	3	10	77	-	77
Pre-tax Income	687	200	102	38	22	16	(3)	(5)	1,057	-	1,057
Taxes	(1,834)	25	9	-	-	-	-	1,972	173	-	173
Minority Interest	69	-	22	2	-	-	1	1	94	-	94
Goodyear Net Income	\$ 2,452	\$ 175	\$ 71	\$ 36	\$ 22	\$ 16	\$ (4)	\$ (1,978)	\$ 790	\$ -	\$ 790
EPS	\$ 8.78	\$ 0.63	\$ 0.25	\$ 0.13	\$ 0.08	\$ 0.06	\$ (0.01)	\$ (7.09)	\$ 2.83	\$ -	\$ 2.83

# Fourth Quarter 2015 Liquidity Profile



\$ In billions



(a) Total liquidity comprised of \$1,476 million of cash and cash equivalents, as well as \$2,676 million of unused availability under various credit agreements.

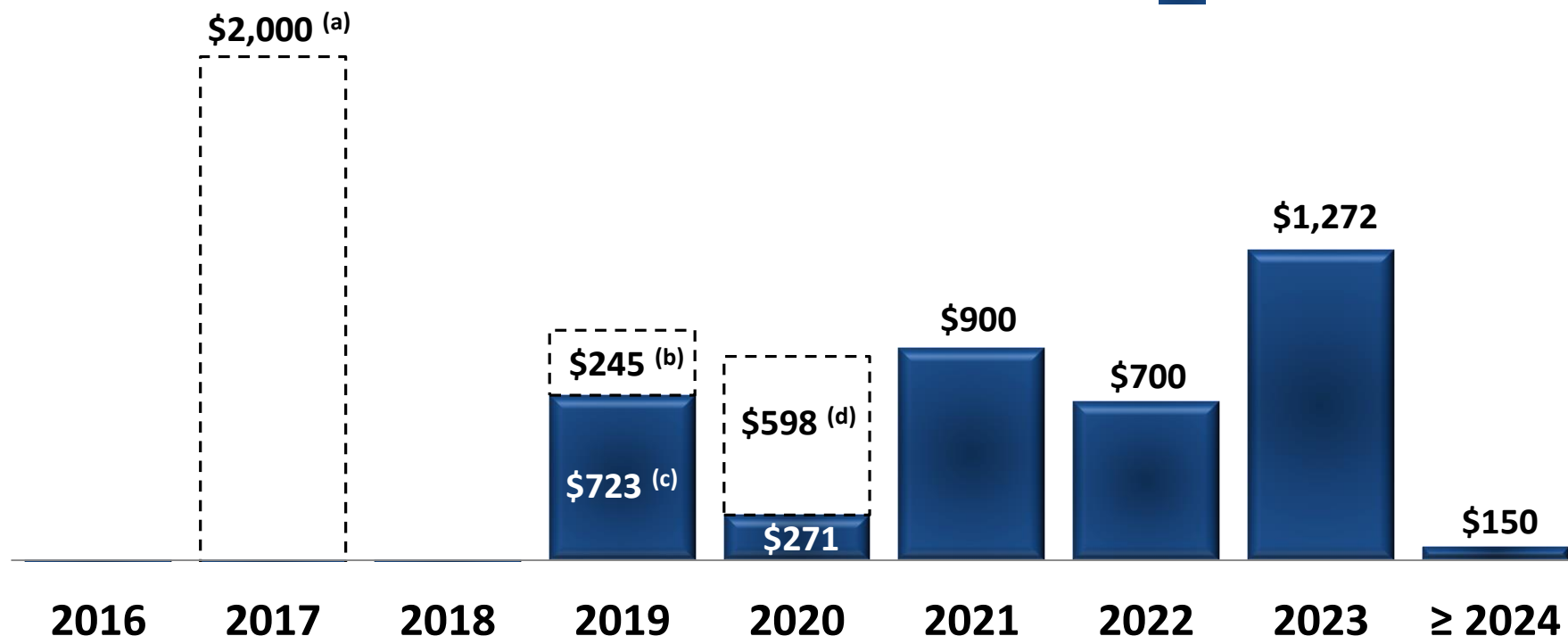
# Fourth Quarter 2015 - Maturity Schedule

Pro Forma to reflect Euro Note Redemption



\$ In millions

Undrawn Credit Lines  
 Funded Debt



Note: Based on December 31, 2015 balance sheet values and excludes notes payable, capital leases and other domestic and foreign debt.

- (a) At December 31, 2015, our borrowing base, and therefore our availability, under the US revolving credit facility was \$536 million below the facility's stated amount of \$2.0 billion. At December 31, 2015, there were no borrowings outstanding under the first lien revolving credit facility. Letters of credit issued totaled \$315 million at December 31, 2015.
- (b) At December 31, 2015, the amounts available and utilized under the Pan-European securitization program of \$370 million (€340 million) totaled \$276 million (€254 million) and \$125 million (€115 million), respectively.
- (c) Excludes the €250 million (\$272 million) 6.75% Euro Notes due 2019 that were redeemed January 14, 2016.
- (d) At December 31, 2015, there were no borrowings outstanding under the €550 million European revolving credit facility and no letters of credit issued.

# 2016 Full-Year Industry Outlook



	Full-Year 2016 Guidance	
	USA	Western Europe
Consumer Replacement	~1%	~3%
Consumer OE	~2%	~2% <sup>(a)</sup>
Commercial Replacement	~1%	~3%
Commercial OE	~(9%)	~1% <sup>(a)</sup>

(a) The quoted industry numbers for Western Europe for Consumer OE and for Commercial OE are for total EMEA and not for Western Europe only.

# Reconciliation for Segment Operating Income / Margin



\$ In millions

	Three Months Ended December 31,		Twelve Months Ended December 31,					
	2015	2014	2015	2014	2013	2012	2011	2010
Total Segment Operating Income	\$ 476	\$ 359	\$ 2,022	\$ 1,712	\$ 1,580	\$ 1,248	\$ 1,368	\$ 917
Rationalizations	(32)	(15)	(114)	(95)	(58)	(175)	(103)	(240)
Interest expense	(101)	(113)	(412)	(428)	(392)	(357)	(330)	(316)
Other income (expense)	2	(60)	115	(302)	(97)	(139)	(73)	(186)
Asset write-offs and accelerated depreciation	(3)	(4)	(8)	(7)	(23)	(20)	(50)	(15)
Corporate incentive compensation plans	(42)	(28)	(103)	(97)	(108)	(69)	(70)	(71)
Pension curtailments/settlements	(137)	-	(137)	(33)	-	1	(15)	-
Intercompany profit elimination	7	8	(3)	4	4	(1)	(5)	(14)
Loss on deconsolidation of Venezuelan subsidiary	(646)	-	(646)	-	-	-	-	-
Retained expenses of divested operations	(8)	(5)	(14)	(16)	(24)	(14)	(29)	(20)
Other	(26)	(16)	(92)	(51)	(69)	(34)	(75)	(47)
Income (Loss) before Income Taxes	\$ (510)	\$ 126	\$ 608	\$ 687	\$ 813	\$ 440	\$ 618	\$ 8
United States and Foreign Tax Expense (Benefit)	(137)	(2,002)	232	(1,834)	138	203	201	172
Less: Minority Shareholders Net Income (Loss)	7	(1)	69	69	46	25	74	52
Goodyear Net Income (Loss)	\$ (380)	\$ 2,129	\$ 307	\$ 2,452	\$ 629	\$ 212	\$ 343	\$ (216)
Sales	\$4,063	\$4,356	\$16,443	\$18,138	\$19,540	\$20,992	\$22,767	\$18,832
Return on Sales	(9.4)%	48.9%	1.9%	13.5%	3.2%	1.0%	1.5%	(1.1)%
Total Segment Operating Margin	11.7%	8.2%	12.3%	9.4%	8.1%	5.9%	6.0%	4.9%

# Reconciliation for Total Debt and Net Debt

## Pro Forma to reflect Euro Note Redemption



\$ In millions

	<i>Pro Forma</i> December 31, 2015	September 30, 2015	December 31, 2014
Long-Term Debt and Capital Leases	\$ 5,120	\$ 5,591	\$ 6,216
Notes Payable and Overdrafts	49	41	30
Long-Term Debt and Capital Leases Due Within One Year <sup>(a)</sup>	315	368	148
Total Debt	<u>\$ 5,484</u>	<u>\$ 6,000</u>	<u>\$ 6,394</u>
Less: Cash and Cash Equivalents <sup>(a)</sup>	<u>1,195</u>	<u>1,690</u>	<u>2,161</u>
Net Debt	<u>\$ 4,289</u>	<u>\$ 4,310</u>	<u>\$ 4,233</u>

(a) The December 31, 2015 balance reflects the redemption of the €250 million (\$272 million) 6.75% Euro Notes due 2019 that occurred on January 14, 2016.



# EBITDAP, Adjusted Debt & Leverage Ratio Reconciliations Pro Forma to reflect Euro Note Redemption



\$ In millions

	Year Ended December 31,	
	2015	2014
Net Income	\$376	\$2,521
Interest Expense	412	428
Income Tax (Benefit) Expense	232	(1,834)
Depreciation and Amortization	698	732
Pension Expense <sup>(a)</sup>	135	158
Other <sup>(b)</sup>	645	397
<b>EBITDAP, as adjusted</b>	<b>\$2,498</b>	<b>\$2,402</b>

	<i>Pro Forma</i>	
	December 31, 2015	December 31, 2014
Notes Payable and Overdrafts	49	30
Long-Term Debt and Capital Leases Due Within One Year <sup>(c)</sup>	315	148
Long-Term Debt and Capital Leases	5,120	6,216
Total Debt	\$5,484	\$6,394
Global Unfunded Pension Obligations	\$642	\$714
<b>Adjusted Debt</b>	<b>\$6,126</b>	<b>\$7,108</b>
<b>Adjusted Debt/EBITDAP</b>	<b>2.45x</b>	<b>2.96x</b>

(a) Pension expense is the net periodic pension cost before curtailments, settlements and termination benefits as reported in the pension-related footnote in the Notes to Consolidated Financial Statements.

(b) Other includes rationalization charges, other (income) expense and the loss on the deconsolidation of our Venezuelan subsidiary effective December 31, 2015.

(c) The December 31, 2015 balance reflects the redemption of the €250 million (\$272 million) 6.75% Euro Notes due 2019 that occurred on January 14, 2016.

# Reconciliation for Free Cash Flow from Operations



The amounts below are calculated from the Consolidated Statements of Cash Flows except for pension expense, which is as reported in the pension-related note in the Notes to Consolidated Financial Statements.

\$ In millions	Year Ended	
	Dec. 31, 2015	Dec. 31, 2014
<b>Net Income</b>	<b>\$ 376</b>	<b>\$ 2,521</b>
Depreciation and Amortization	698	732
Change in Working Capital <sup>(a)</sup>	(42)	(1)
Pension Expense <sup>(b)</sup>	135	158
Provision for Deferred Income Taxes	79	(1,970)
Loss on Deconsolidation of Venezuelan Subsidiary	646	-
Gain on Recognition of Deferred Royalty Income	(155)	-
Capital Expenditures	(983)	(923)
Other <sup>(c)</sup>	197	464
<b>Free Cash Flow from Operations (non-GAAP)</b>	<b>\$ 951</b>	<b>\$ 981</b>
Capital Expenditures	983	923
Pension Contributions and Direct Payments	(103)	(1,338)
Rationalization Payments	(144)	(226)
<b>Cash Flow from Operating Activities (GAAP)</b>	<b>\$ 1,687</b>	<b>\$ 340</b>

a) Working capital represents total changes in accounts receivable, inventories and accounts payable – trade.

b) Pension expense is the net periodic pension cost before curtailments, settlements and termination benefits as reported in the pension-related note in the Notes to Consolidated Financial Statements.

c) Other includes amortization and write-off of debt issuance costs, net pension curtailments and settlements, net rationalization charges, net (gains) losses on asset sales, net Venezuela currency loss, compensation and benefits less pension expense, other current liabilities, and other assets and liabilities.



**GOODYEAR**