



GOODYEAR  **YEAR**®

First Quarter 2017 Conference Call

April 28, 2017

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; increases in the prices paid for raw materials and energy; a labor strike, work stoppage or other similar event; foreign currency translation and transaction risks; 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; 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.

First Quarter Highlights

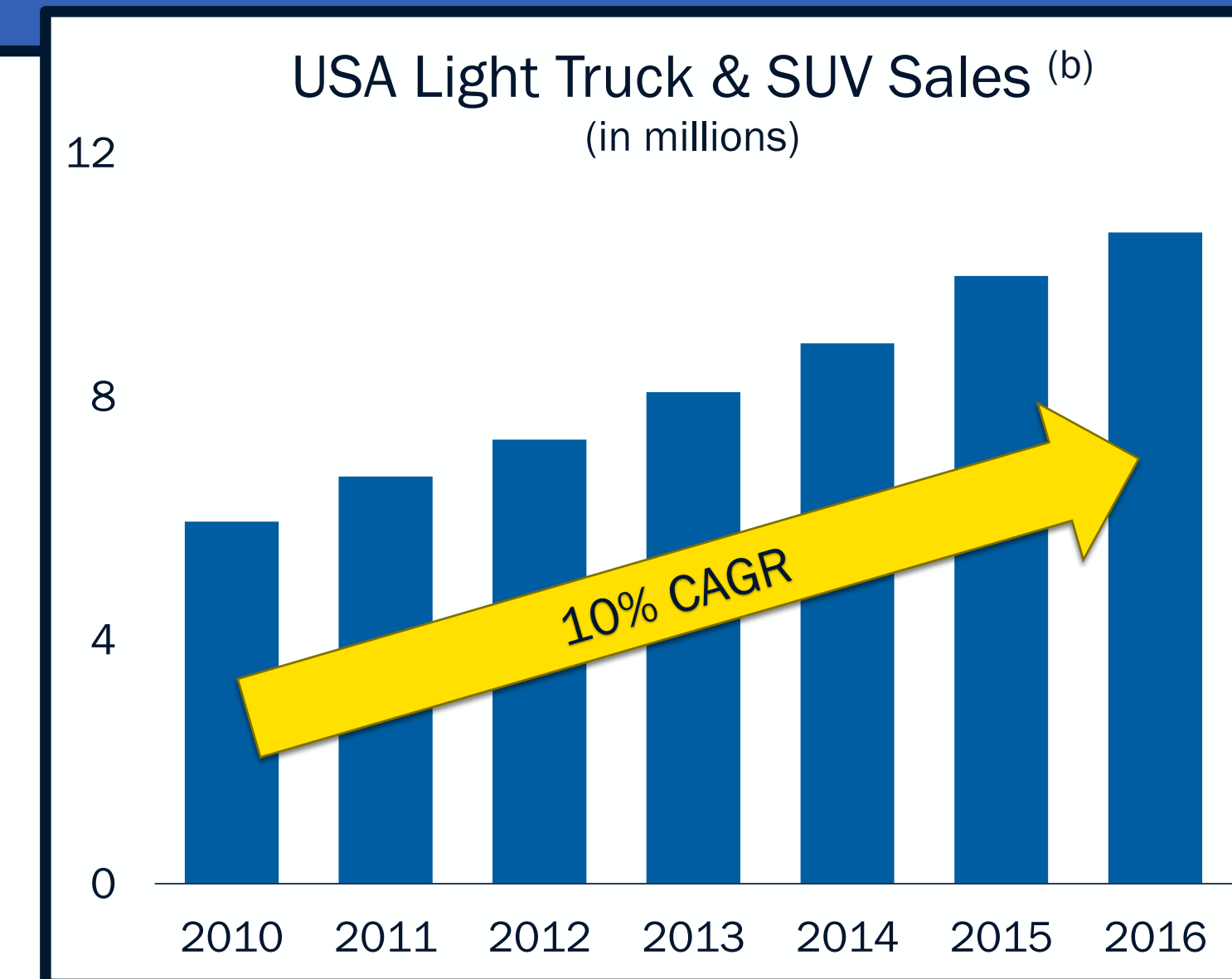
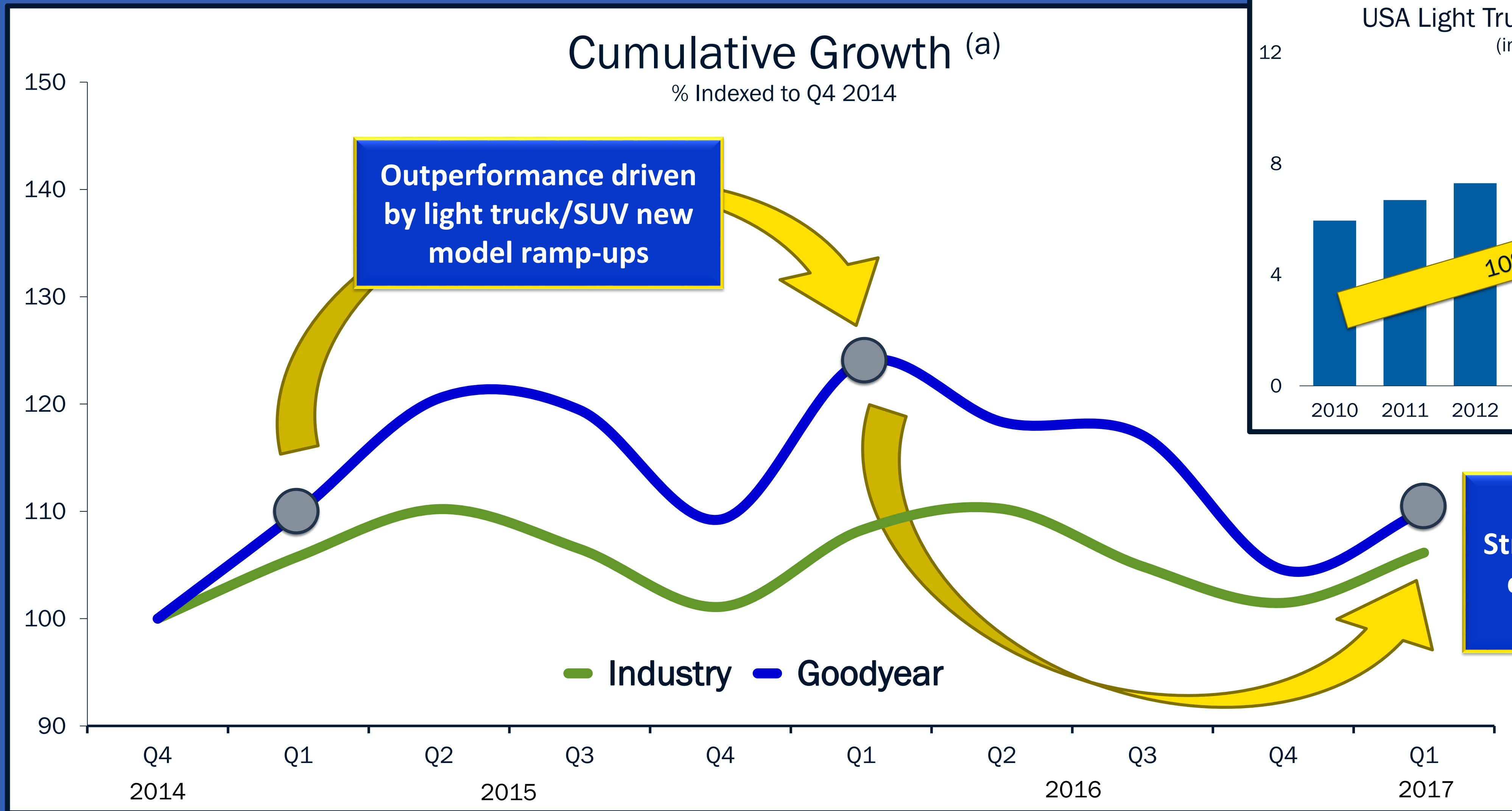


- Segment operating income (SOI) of \$385 million ^(a)
- Adjusted earnings per share of \$0.74 ^(b), up 3%
- Positive price / mix versus raw materials
- Americas earnings of \$214 million, 10.9% operating margin
- Europe, Middle East and Africa earnings up 23% to \$98 million, 7.9% operating margin
- Asia Pacific earnings of \$73 million, 14.5% operating margin
- Company confirms 2017 segment operating income guidance and 2020 targets

(a) See Segment Operating Income and Margin reconciliation in Appendix on page 29.

(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on pages 27 and 28.

U.S. Consumer OE Trends



(a) Source: Rubber Manufacturers Association and internal analysis. For both Goodyear and the industry, these are radial tires only (including radial T-Spares). Bias T-Spares are not included.

(b) Source: IHS new vehicle sales.

U.S. Consumer Replacement Industry 2017 vs 2016 Growth Rate^(a)

	Q1
RMA Members (≥ 17 "	8%
RMA Members (< 17 "	-6%
Total	1%
Non-Members	0%
Total U.S.	1%
Goodyear (≥ 17 "	6%

- Soft sell out during first quarter
- Impact of relative timing of our Q1 price increase
- Confident in underlying drivers of demand
 - February miles driven +2%
 - March gasoline demand +1%

Europool & Turkey Replacement Industry 2017 vs 2016 Growth Rate^(a)

	Q1
ETRMA Members (≥ 17 "	12%
ETRMA Members (< 17 "	2%
Total	4%
Non-Members	4%
Total EU + Turkey	4%
Goodyear (≥ 17 "	13%

- Above market growth in ≥ 17 " segment driven by summer
- Goodyear volume declines in < 17 " driven by choices in summer segment
- "Overall victor in 2017 summer tyre test season" - Tyrepress

First Quarter 2017 Income Statement



Terms: US\$ millions
(except EPS)

	Three Months Ended		
	March 31, 2017	March 31, 2016	Change
Units	40.0	41.5	(3.5)%
Net Sales	\$ 3,699	\$ 3,691	0%
<i>Gross Margin</i>	25.3%	26.8%	(1.5) pts
SAG	\$ 579	\$ 615	(6)%
Segment Operating Income ^(a)	\$ 385	\$ 419	(8)%
<i>Segment Operating Margin^(a)</i>	10.4%	11.4%	(1.0) pts
Goodyear Net Income	\$ 166	\$ 184	
Goodyear Net Income Per Share			
<i>Weighted Average Shares Outstanding</i>	252	267	
Basic	\$ 0.66	\$ 0.69	
<i>Weighted Average Shares Outstanding - Diluted</i>	256	271	
Diluted	\$ 0.65	\$ 0.68	
Cash Dividends Declared Per Common Share	\$ 0.10	\$ 0.07	
Adjusted Diluted Earnings Per Share ^(b)	\$ 0.74	\$ 0.72	

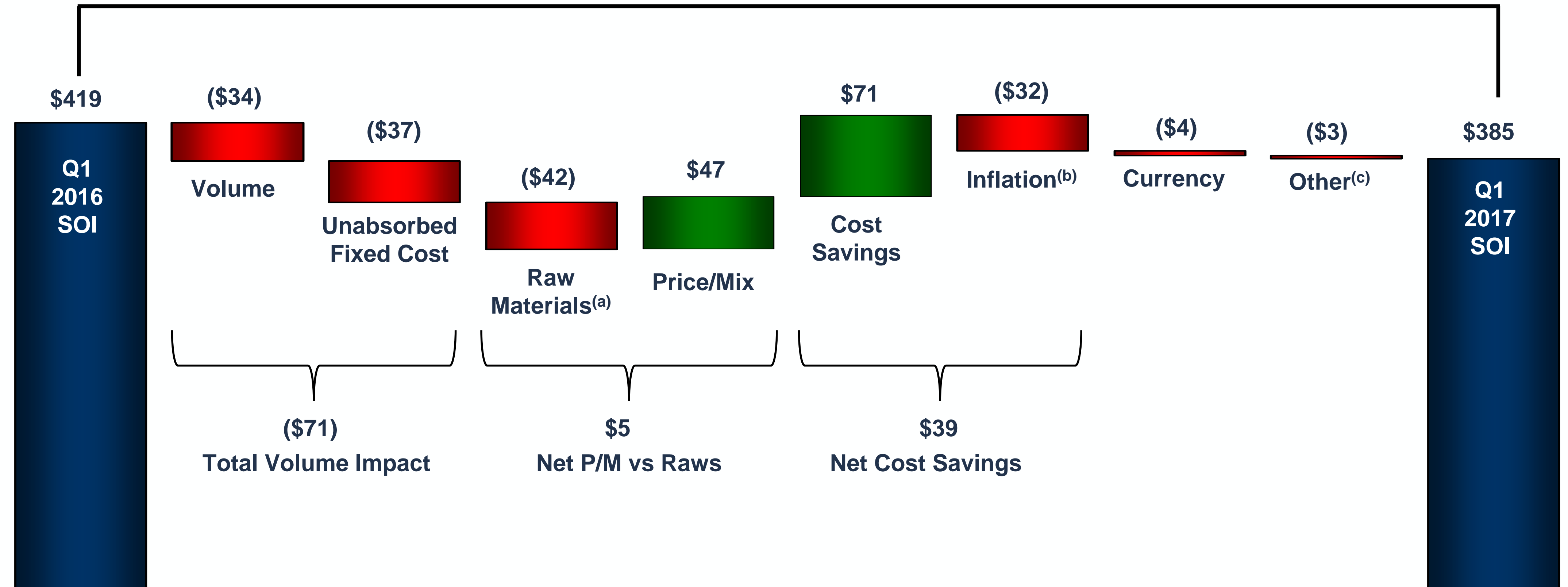
(a) See Segment Operating Income and Margin reconciliation in Appendix on page 27.

(b) See Adjusted Diluted Earnings Per Share reconciliation in Appendix on pages 25 and 26.

First Quarter 2017 Segment Operating Results



Terms: US\$ millions



(a) Raw material variance of (\$42) million excludes raw material cost saving measures of \$30 million, which are included in Cost Savings.

(b) Estimated impact of inflation (wages, utilities, energy, transportation and other).

(c) Includes the favorable impact of incentive compensation and advertising.

First Quarter 2017 Balance Sheet



Terms: US\$ millions

	March 31, 2017	December 31, 2016	March 31, 2016
Cash and Cash equivalents	\$ 961	\$ 1,132	\$ 1,079
Accounts receivable	2,270	1,769	2,482
Inventories	2,845	2,627	2,636
Accounts payable - trade	(2,631)	(2,589)	(2,653)
Working capital ^(a)	<u>\$ 2,484</u>	<u>\$ 1,807</u>	<u>\$ 2,465</u>
Total debt ^(b)	\$ 5,933	\$ 5,479	\$ 6,075
Net debt ^(b)	\$ 4,972	\$ 4,347	\$ 4,996

(a) Working capital represents accounts receivable and inventories, less accounts payable – trade.

(b) See Total Debt and Net Debt reconciliation in Appendix on page 30.

First Quarter 2017 Free Cash Flow



Terms: US\$ millions

	Three Months Ended March 31,		Trailing Twelve Months Ended
	2017	2016	March 31, 2017
Net Income	\$ 169	\$ 189	\$ 1,264
Depreciation and Amortization	185	174	738
Change in Working Capital	(596)	(611)	(102)
Pension Expense	22	18	75
Pension Contributions and Direct Payments	(25)	(25)	(89)
Provision for Deferred Income Taxes	40	46	(235)
Rationalization Payments	(18)	(24)	(80)
Other ^(a)	(63)	(139)	28
Cash Flow from Operating Activities (GAAP)	\$ (286)	\$ (372)	\$ 1,599
Capital Expenditures	(271)	(253)	(1,014)
Free Cash Flow (non-GAAP)	\$ (557)	\$ (625)	\$ 585

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

First Quarter 2017 - Segment Results Americas



Terms: US\$ millions
Units in millions

First Quarter

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Units	17.2	18.0	(4.6%)
Net Sales	\$1,958	\$1,951	0.4%
Operating Income	\$214	\$260	(17.7%)
Margin	10.9%	13.3%	

- Volume decline driven by U.S. consumer OE
- U.S. commercial truck volume relatively stable
- Brazil strengthening; volume up 7%
- Operating income decline driven by under-absorbed overhead, volume

First Quarter 2017 - Segment Results Europe, Middle East & Africa



Terms: US\$ millions
Units in millions

First Quarter

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Units	15.5	16.2	(3.8%)
Net Sales	\$1,239	\$1,251	(1.0%)
Operating Income	\$98	\$80	22.5%
Margin	7.9%	6.4%	

- Increased operating income driven by positive price/mix and cost savings
- Continued growth in consumer replacement ≥ 17 ", driven by summer
- Consumer replacement down 6% driven by choices made in < 17 " segment
- Share growth in commercial replacement

First Quarter 2017 - Segment Results Asia Pacific



Terms: US\$ millions
Units in millions

First Quarter

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Units	7.3	7.3	(0.2%)
Net Sales	\$502	\$489	2.7%
Operating Income	\$73	\$79	(7.6%)
Margin	14.5%	16.2%	

- Consumer volume flat as replacement growth is offset by decline in OE
- Higher OE comparable related to China tax incentive
- Robust double digit growth in China replacement
- Increased order activity in OTR

2017 SOI Cadence (a)



1st Half 2017 vs 2016

↓ ~ -10% ↓

- Volume (driven by EMEA)
- Unabsorbed Overhead
- Unfavorable Price/Mix vs Raws (Timing)
- Unfavorable Foreign Exchange
- + Cost Savings
- Americas plant start-up costs

2nd Half 2017 vs 2016

↑ ~ +10% ↑

- + Volume
- + Unabsorbed Overhead
- + Favorable Price/Mix vs Raws
- Unfavorable Foreign Exchange
- + Cost Savings
- Americas plant start-up costs

Strong second half sets stage for 2018

(a) Based on current outlook. For full year 2017 drivers see page 15. For information on our use of non-GAAP financial measures, including forward-looking non-GAAP financial measures, see Appendix on page 26.

2017 Key Segment Operating Income Drivers ^(a)



Driver	February Outlook 2017 vs 2016	Current Outlook 2017 vs 2016	Comments
Global Volume	~1%	~Flat	Disciplined volume execution; Q2 volume similar to Q1
Net Price/Mix vs Raw Materials	~Flat	~\$25 million	Impact of moderating raw materials; Q2 negative driven by timing of OE RMI pricing
Overhead Absorption	~(\$70) million	~(\$85) million	Primarily first half
Cost Savings vs Inflation	~\$140 million	~\$140 million	No change
Foreign Exchange	~(\$50) million	~(\$30) million	Based on current spot rates
Other	~(\$50) million	~(\$50) million	No change

Continue to expect 2017 SOI of ~\$2.0 billion

(a) For information on our use of non-GAAP financial measures, including forward-looking non-GAAP financial measures, see Appendix on page 26.

2017 Outlook – Other Financial Assumptions



	Current 2017 FY Assumption
Interest Expense	\$340 - \$365 million
Financing Fees	~\$35 million
Income Tax	Expense: ~30% of global pre-tax operating income; Cash: ~15% of global pre-tax operating income
Depreciation & Amortization	~\$750 million
Global Pension Expense	\$75 - \$100 million
Global Pension Cash Contributions	\$50 - \$75 million
Working Capital	Use of ~\$200 million
Capital Expenditures	~\$1.0 billion; Driving ≥ 17 " growth in volume & mix
Restructuring Payments	~\$150 million
Corporate Other	~\$140 million

OUR GOAL

DELIVER SUSTAINABLE REVENUE AND PROFIT GROWTH WHILE INCREASING THE VALUE OF OUR BRAND

HOW WE'LL WIN

INNOVATION EXCELLENCE

Develop great products and services that anticipate and respond to the needs of consumers



OPERATIONAL EXCELLENCE

Relentlessly improve our quality and efficiency to deliver the right tire, to the right place, at the right time for the right cost

SALES & MARKETING EXCELLENCE

Build the value of our brand, help our customers win in their markets, and become consumers' preferred choice

Winning at the intersection is the key to success

HOW WE'LL WORK

ACT WITH INTEGRITY

Build trust and earn the confidence of others through honesty and respect – Protect Our Good Name

ENERGIZE THE TEAM

Create an environment where associates are inspired by work, wellness and serving their communities

PROMOTE COLLABORATION

Connect associates globally and encourage open discussion to meet objectives

BE AGILE

Embrace change and act with speed and purpose

DELIVER RESULTS

Anticipate challenges, seize opportunities and make courageous decisions

Engage and enable associates to realize their full potential

WHERE WE'LL FOCUS

CONSUMER EXPERIENCE

Make Goodyear easy to buy, own, and recommend

CUSTOMER SERVICE

Collaborate with customers to be a great supplier

QUALITY

Deliver industry best products, processes, and programs

HIGH-VALUE SEGMENTS

Compete where we capture the full value of our brand

MASTERING COMPLEXITY

Manage the necessary; eliminate the unneeded

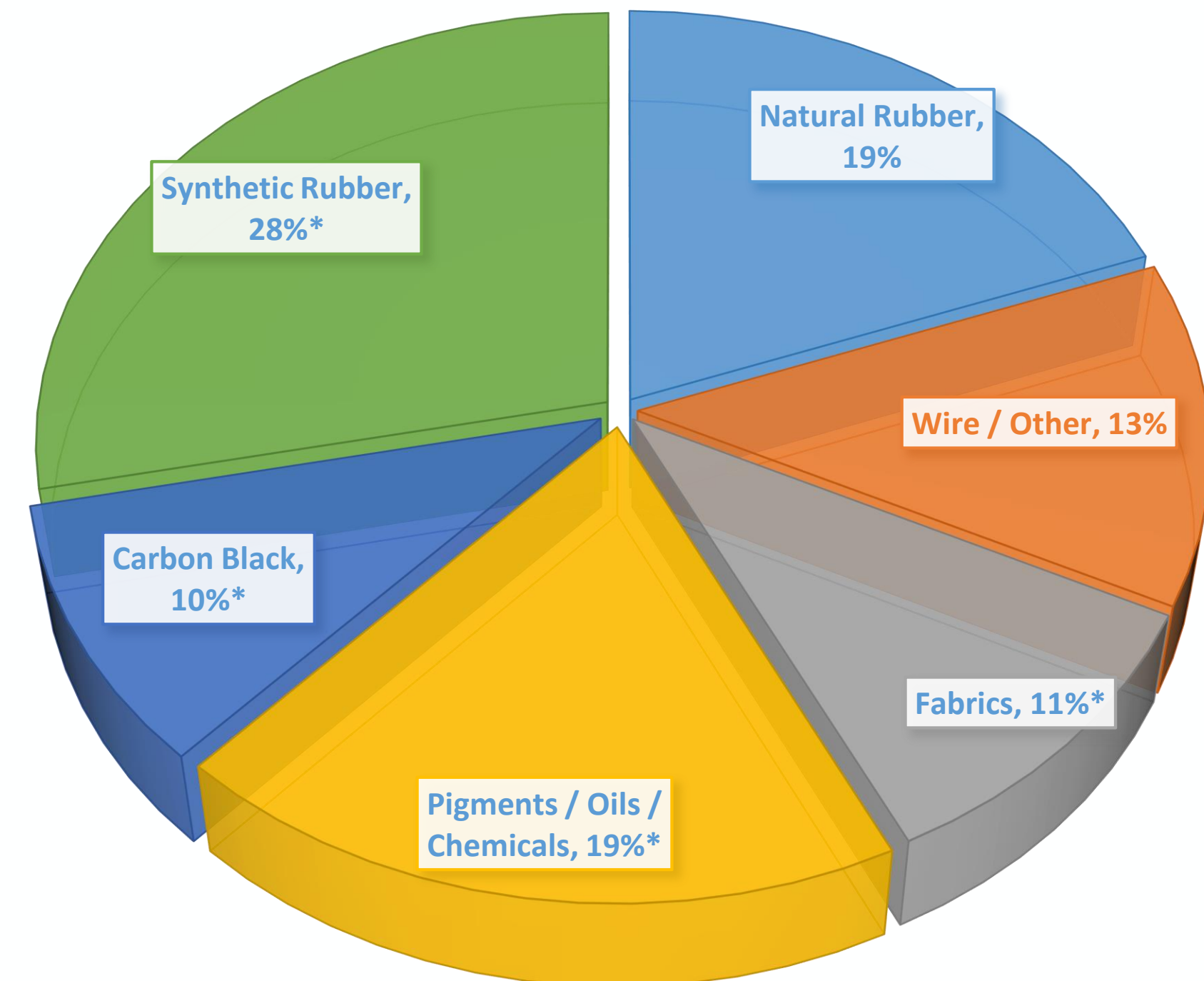
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Appendix

- ✓ Raw materials are ~40% of tire COGS
- ✓ ~65% of raw materials are influenced by oil prices
 - P&L impact lags spot rates by 1-2 quarters depending on commodity
- ✓ ~60% of raw materials are purchased in USD
- ✓ Customer agreements indexed to raw materials
 - OE customers
 - Certain large Commercial fleets
 - OTR customers

Global Raw Material Spend

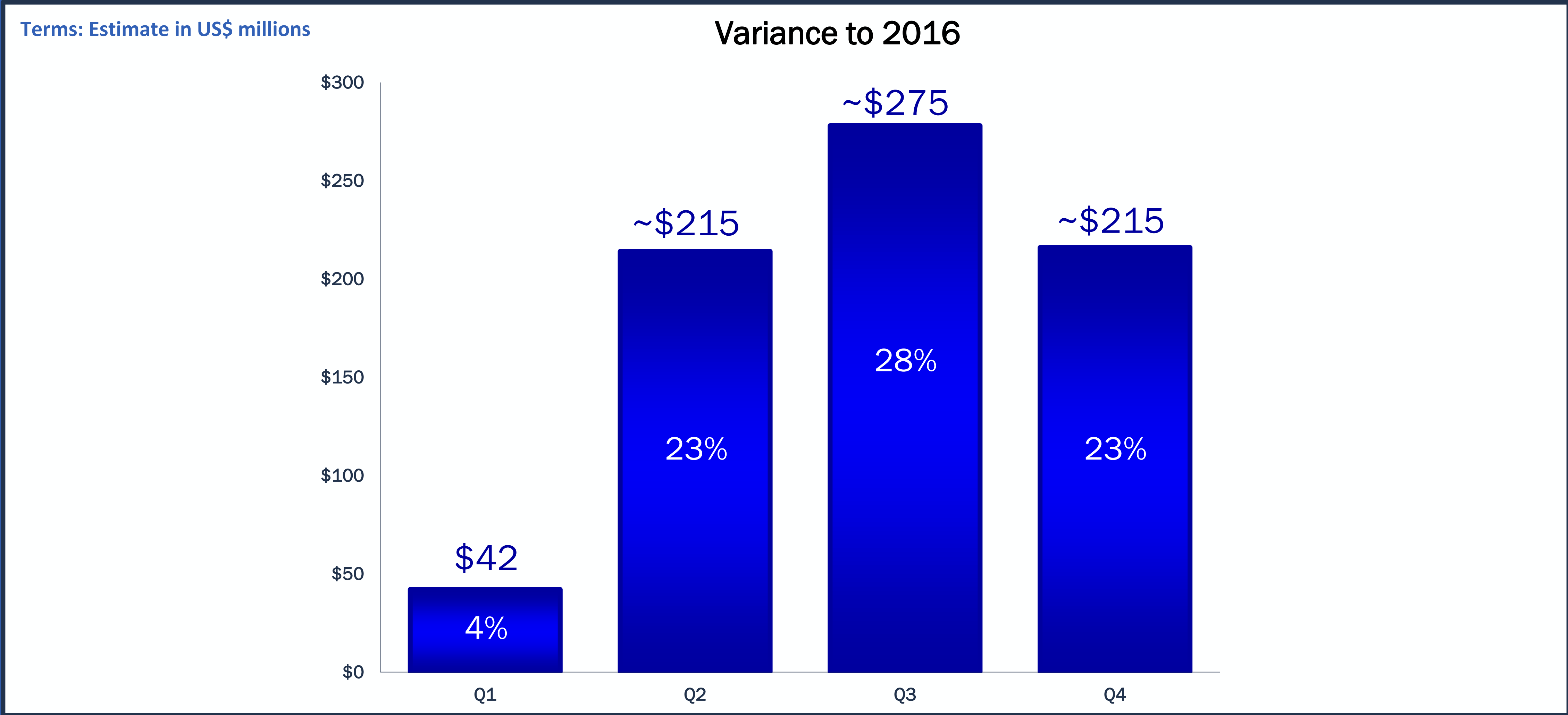
FY 2016



*Petrochemical based

Recent increases in commodity prices will be an ~20% headwind to 2017 raw material costs

2017 Raw Material Headwinds (a)

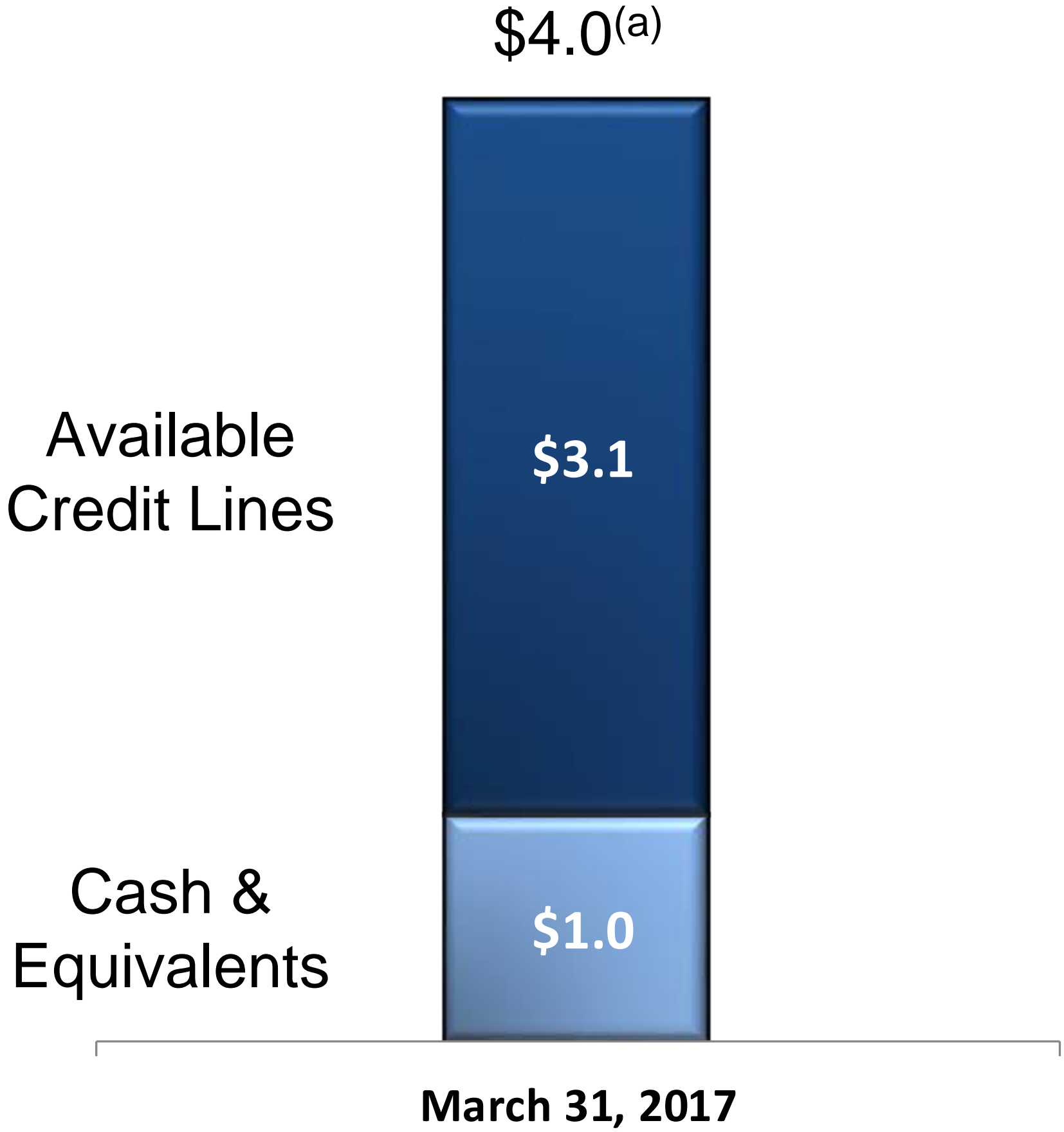


(a) Impact to cost of goods sold before raw material cost saving measures.

First Quarter 2017 – Liquidity Profile



Terms: US\$ billions



(a) Total liquidity comprised of \$961 million of cash and cash equivalents, as well as \$3,071 million of unused availability under various credit agreements.

2020 Segment Operating Income Target (a)



Terms: US\$ millions

Positive SOI Drivers 2018 vs 2017 Potential Impact

- Catch-up on 2017 OE RMI pricing ~\$100
- EMEA cost programs \$50 - \$60
- U.S. Commercial recovery \$25 - \$35
- Net cost savings \$100 - \$150
- ≥ 17 " volume/mix growth \$175 - \$200
(includes Americas plant)

2020 SOI Target



Remain well positioned to achieve 2020 target

(a) For additional drivers and risk factors see Appendix on Page 23. For information on our use of non-GAAP financial measures, including forward-looking non-GAAP financial measures, see Appendix on page 26.

Key drivers

- ✓ Moderate global industry growth, including:
 - Above market growth in ≥ 17 "
 - Emerging markets growth
- ✓ Goodyear volume growth of 20 million units, primarily in ≥ 17 "
- ✓ Price/mix supported by innovation
- ✓ Achieve cost savings and unabsorbed fixed cost recovery
- ✓ Deliver on high-return investments

Risk Factors

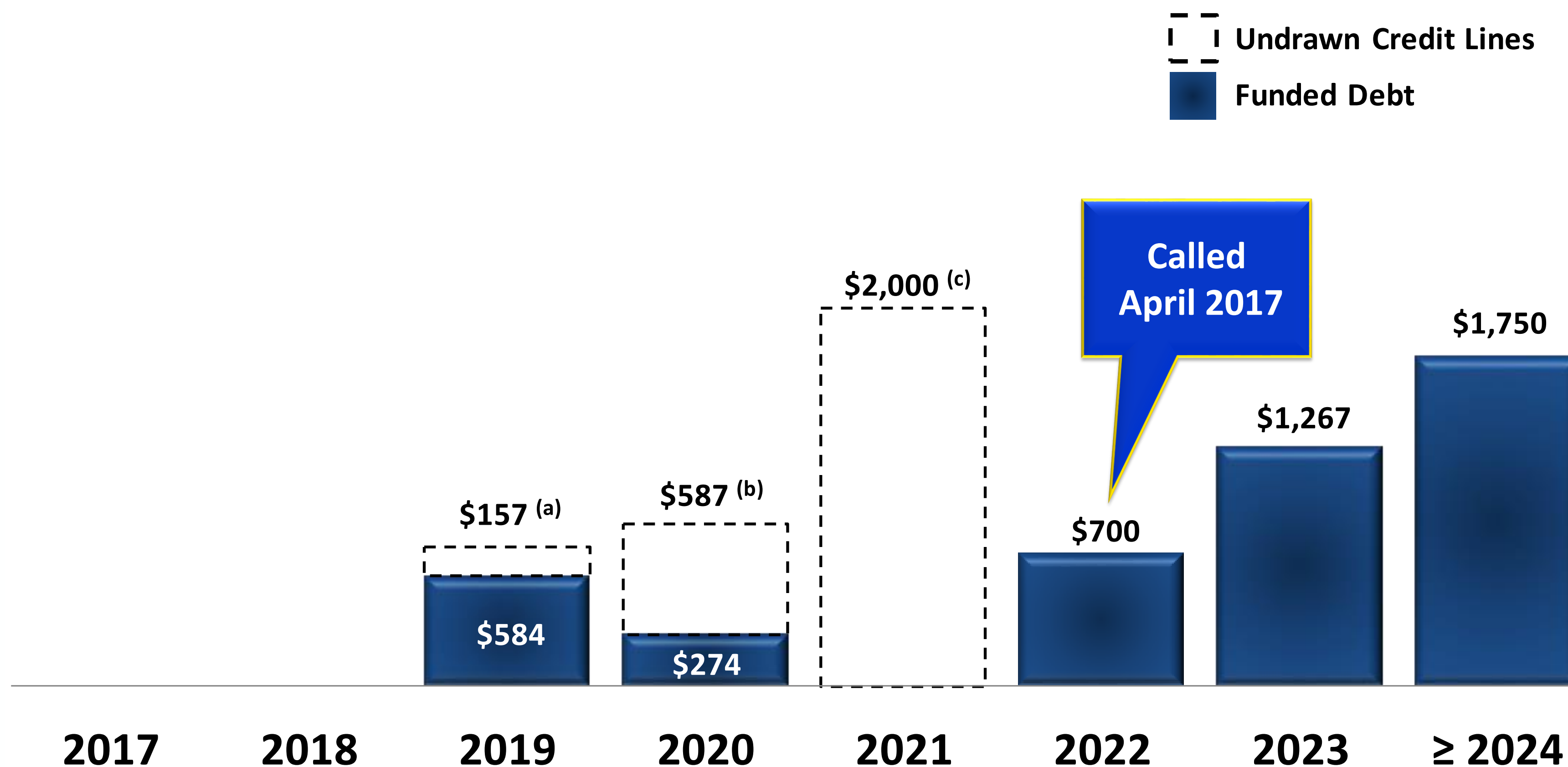
- ✓ Economic environment
 - Significant weakness in key markets
- ✓ Raw materials
 - Timing of cost increases
 - Availability of select materials
- ✓ Higher wages and general inflation
 - Further cost savings may be required

Execution required, risks need to be managed

First Quarter 2017 – Maturity Schedule



Terms: US\$ millions



Note: Based on March 31, 2017 balance sheet values and excludes notes payable, capital leases and other domestic and foreign debt.

(a) At March 31, 2017 the amounts available and utilized under the Pan-European securitization program totaled \$185 million (€173 million).

(b) At March 31, 2017 there were no borrowings outstanding under the €550 million European revolving credit facility and no letters of credit were issued.

(c) At March 31, 2017 our borrowing base, and therefore our availability, under the U.S. revolving credit facility was \$451 million below the facility's stated amount of \$2.0 billion.

At March 31, 2017 we had no borrowings and \$40 million of letters of credit were issued.

2017 Full-Year Industry Outlook



	Full-Year 2017 Guidance	
	United States	Western Europe ^(a)
Consumer Replacement	~Flat - 1%	~Flat - 1%
Consumer OE	~Flat	~Flat
Commercial Replacement	~1 - 2%	~2%
Commercial OE	~(6%)	~4%

(a) For replacement, Western Europe is Europol and Turkey. For OE, Western Europe is total EMEA.

Use of Historical and Forward-Looking Non-GAAP Financial Measures



This presentation contains historical and forward-looking non-GAAP financial measures, including Total Segment Operating Income and Margin, Free Cash Flow, Adjusted Net Income and Adjusted Diluted Earnings Per Share (EPS), which are important financial measures for the company but are not financial measures defined by U.S. GAAP, and should not be construed as alternatives to corresponding financial measures presented in accordance with U.S. GAAP.

Total Segment Operating Income is the sum of the individual strategic business units' (SBUs') Segment Operating Income as determined in accordance with U.S. GAAP. Total Segment Operating Margin is Total Segment Operating Income divided by Net Sales as determined in accordance with U.S. GAAP. Management believes that Total Segment Operating Income and Margin are useful because they represent the aggregate value of income created by the company's SBUs and exclude items not directly related to the SBUs for performance evaluation purposes. The most directly comparable U.S. GAAP financial measures to Total Segment Operating Income and Margin are Goodyear Net Income and Return on Sales (which is calculated by dividing Goodyear Net Income by Net Sales).

Free Cash Flow is the company's Cash Flows from Operating Activities as determined in accordance with U.S. GAAP, less capital expenditures. Management believes that Free Cash Flow is useful because it represents the cash generating capability of the company's ongoing operations, after taking into consideration capital expenditures necessary to maintain its business and pursue growth opportunities. The most directly comparable U.S. GAAP financial measure is Cash Flows from Operating Activities.

Adjusted Net Income is Goodyear Net Income as determined in accordance with U.S. GAAP adjusted for certain significant items. Adjusted Diluted EPS is the company's Adjusted Net Income divided by Weighted Average Shares Outstanding-Diluted as determined in accordance with U.S. GAAP. Management believes that Adjusted Net Income and Adjusted Diluted EPS are useful because they represent how management reviews the operating results of the company excluding the impacts of rationalizations, asset write-offs, accelerated depreciation, asset sales and certain other significant items.

It should be noted that other companies may calculate similarly-titled non-GAAP financial measures differently and, as a result, the measures presented herein may not be comparable to such similarly-titled measures reported by other companies.

We are unable to present a quantitative reconciliation of our forward-looking non-GAAP financial measures, other than Free Cash Flow, to the most directly comparable U.S. GAAP financial measures because management cannot reliably predict all of the necessary components of those U.S. GAAP financial measures without unreasonable effort. Those forward-looking non-GAAP financial measures, or components thereof, would be reconciled to Goodyear Net Income, which includes several significant items that are not included in the comparable non-GAAP financial measures, such as rationalization charges, other (income) expense, pension curtailments and settlements, and income taxes. The decisions and events that typically lead to the recognition of these and other similar non-GAAP adjustments, such as a decision to exit part of our business, acquisitions and dispositions, foreign currency exchange gains and losses, financing fees, actions taken to manage our pension liabilities, and the recording or release of tax valuation allowances, are inherently unpredictable as to if or when they may occur. The inability to provide a reconciliation is due to that unpredictability and the related difficulty in assessing the potential financial impact of the non-GAAP adjustments. For the same reasons, we are unable to address the probable significance of the unavailable information, which could be material to our future financial results.

First Quarter 2017 Significant Items

(After Tax and Minority Interest)



Terms: US\$ millions,
(except EPS)

	As Reported	Discrete Tax Items	Rationalizations, Asset Write-offs, and Accelerated Depreciation	As Adjusted
Net Sales	\$ 3,699	\$ -	\$ -	\$ 3,699
Cost of Goods Sold	2,765	-	(8)	2,757
Gross Margin	934	-	8	942
SAG	579	-	-	579
Rationalizations	29	-	(29)	-
Interest Expense	87	-	-	87
Other (Income) Expense	-	-	-	-
Pre-tax Income	239	-	37	276
Taxes	70	2	12	84
Minority Interest	3	-	-	3
Goodyear Net Income	\$ 166	\$ (2)	\$ 25	\$ 189
EPS	\$ 0.65	\$ (0.01)	\$ 0.10	\$ 0.74

First Quarter 2016 Significant Items



(After Tax and Minority Interest)

Terms: US\$ millions,
(except EPS)

	As Reported	Rationalizations, Asset Write-offs, and Accelerated Depreciation	Debt Repayments	Insurance Recovery - Discontinued Products	Discrete Tax Items	As Adjusted
Net Sales	\$ 3,691	\$ -	\$ -	\$ -	\$ -	\$ 3,691
Cost of Goods Sold	2,701	(2)	-	-	-	2,699
Gross Margin	990	2	-	-	-	992
SAG	615	-	-	-	-	615
Rationalizations	11	(11)	-	-	-	-
Interest Expense	91	-	(2)	-	-	89
Other (Income) Expense	6	-	(10)	3	-	(1)
Pre-tax Income	267	13	12	(3)	-	289
Taxes	78	1	-	(1)	12	90
Minority Interest	5	-	-	-	(1)	4
Goodyear Net Income	\$ 184	\$ 12	\$ 12	\$ (2)	\$ (11)	\$ 195
EPS	\$ 0.68	\$ 0.05	\$ 0.04	\$ (0.01)	\$ (0.04)	\$ 0.72

Reconciliation for Segment Operating Income/Margin



Terms: US\$ millions

	Three Months Ended	
	March 31,	
	2017	2016
Total Segment Operating Income	\$ 385	\$ 419
Rationalizations	(29)	(11)
Interest expense	(87)	(91)
Other income (expense)	-	(6)
Asset write-offs and accelerated depreciation	(8)	(2)
Corporate incentive compensation plans	(15)	(26)
Intercompany profit elimination	3	(2)
Retained expenses of divested operations	(3)	(5)
Other	(7)	(9)
Income before Income Taxes	\$ 239	\$ 267
United States and Foreign Tax Expense	70	78
Less: Minority Shareholders Net Income	3	5
Goodyear Net Income	\$ 166	\$ 184
Net Sales (as reported)	\$3,699	\$3,691
Return on Sales (as reported)	4.5%	5.0%
Total Segment Operating Margin	10.4%	11.4%

Reconciliation for Total Debt and Net Debt



Terms: US\$ millions

	March 31, 2017	December 31, 2016	March 31, 2016
Long-Term Debt and Capital Leases	\$ 5,257	\$ 4,798	\$ 5,685
Notes Payable and Overdrafts	217	245	76
Long-Term Debt and Capital Leases Due Within One Year	459	436	314
Total Debt	<u>\$ 5,933</u>	<u>\$ 5,479</u>	<u>\$ 6,075</u>
Less: Cash and Cash Equivalents	<u>961</u>	<u>1,132</u>	<u>1,079</u>
Net Debt	<u><u>\$ 4,972</u></u>	<u><u>\$ 4,347</u></u>	<u><u>\$ 4,996</u></u>

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