

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

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b><u>2019</u></b>	<b><u>2018</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<i>(In millions, except per share amounts)</i>				
<b>NET SALES</b>	<b>\$3,632</b>	<b>\$3,841</b>	<b>\$ 7,230</b>	<b>\$ 7,671</b>
Cost of Goods Sold	2,855	2,949	5,734	5,925
Selling, Administrative and General Expense	586	588	1,133	1,179
Rationalizations	4	(2)	107	35
Interest Expense	88	78	173	154
Other (Income) Expense	17	45	39	82
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Income before Income Taxes	82	183	44	296
United States and Foreign Tax Expense	26	19	32	52
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Net Income	56	164	12	244
Less: Minority Shareholders' Net Income	2	7	19	12
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<b>Goodyear Net Income (Loss)</b>	<b>\$ 54</b>	<b>\$ 157</b>	<b>\$ (7)</b>	<b>\$ 232</b>
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<b>Goodyear Net Income (Loss)</b>				
<b>- Per Share of Common Stock</b>				
Basic	<b>\$ 0.23</b>	<b>\$ 0.66</b>	<b>\$ (0.03)</b>	<b>\$ 0.97</b>
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Weighted Average Shares Outstanding	233	239	232	240
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Diluted	<b>\$ 0.23</b>	<b>\$ 0.65</b>	<b>\$ (0.03)</b>	<b>\$ 0.96</b>
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Weighted Average Shares Outstanding	234	241	232	242
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Cash Dividends Declared Per Common Share	<b>\$ 0.16</b>	<b>\$ 0.14</b>	<b>\$ 0.32</b>	<b>\$ 0.28</b>
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## The Goodyear Tire & Rubber Company and Subsidiaries

### Consolidated Balance Sheets (unaudited)

(In millions, except share data)

	June 30, <u>2019</u>	December 31, <u>2018</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 917	\$ 801
Accounts Receivable, less Allowance - \$117 (\$113 in 2018)	2,473	2,030
Inventories:		
Raw Materials	573	569
Work in Process	153	152
Finished Products	<u>2,365</u>	<u>2,135</u>
	3,091	2,856
Prepaid Expenses and Other Current Assets	<u>300</u>	<u>238</u>
<b>Total Current Assets</b>	<b>6,781</b>	<b>5,925</b>
Goodwill	570	569
Intangible Assets	135	136
Deferred Income Taxes	1,865	1,847
Other Assets	1,071	1,136
Operating Lease Right-of-Use Assets	854	--
Property, Plant and Equipment		
less Accumulated Depreciation - \$10,492 (\$10,161 in 2018)	<u>7,194</u>	<u>7,259</u>
<b>Total Assets</b>	<b><u>\$ 18,470</u></b>	<b><u>\$ 16,872</u></b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable -Trade	\$ 2,750	\$ 2,920
Compensation and Benefits	507	471
Other Current Liabilities	653	737
Notes Payable and Overdrafts	480	410
Operating Lease Liabilities due Within One Year	200	--
Long Term Debt and Finance Leases due Within One Year	<u>491</u>	<u>243</u>
<b>Total Current Liabilities</b>	<b>5,081</b>	<b>4,781</b>
Operating Lease Liabilities	664	--
Long Term Debt and Finance Leases	5,766	5,110
Compensation and Benefits	1,277	1,345
Deferred Income Taxes	94	95
Other Long Term Liabilities	<u>539</u>	<u>471</u>
<b>Total Liabilities</b>	<b>13,421</b>	<b>11,802</b>
Commitments and Contingent Liabilities		
<b>Shareholders' Equity:</b>		
Common Stock, no par value:		
Authorized, 450 million shares, Outstanding shares – 233 and 232 million in 2019 and 2018	233	232
Capital Surplus	2,124	2,111
Retained Earnings	6,492	6,597
Accumulated Other Comprehensive Loss	<u>(4,002)</u>	<u>(4,076)</u>
<b>Goodyear Shareholders' Equity</b>	<b>4,847</b>	<b>4,864</b>
Minority Shareholders' Equity – Nonredeemable	<u>202</u>	<u>206</u>
<b>Total Shareholders' Equity</b>	<b>5,049</b>	<b>5,070</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 18,470</u></b>	<b><u>\$ 16,872</u></b>

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## The Goodyear Tire & Rubber Company and Subsidiaries Consolidated Statements of Cash Flows (unaudited)

(In millions)

	Six Months Ended	
	June 30,	
	2019	2018
<b>Cash Flows from Operating Activities:</b>		
<b>Net Income</b>	<b>\$ 12</b>	<b>\$ 244</b>
Adjustments to Reconcile Net Income to Cash Flows from Operating Activities:		
Depreciation and Amortization	389	392
Amortization and Write-Off of Debt Issuance Costs	9	8
Provision for Deferred Income Taxes	(31)	(55)
Net Pension Curtailments and Settlements	--	3
Net Rationalization Charges	107	35
Rationalization Payments	(33)	(131)
Net (Gains) Losses on Asset Sales	(6)	--
Operating Lease Expense	148	--
Operating Lease Payments	(134)	--
Pension Contributions and Direct Payments	(32)	(42)
Changes in Operating Assets and Liabilities, Net of Asset Acquisitions and Dispositions:		
Accounts Receivable	(445)	(475)
Inventories	(233)	(222)
Accounts Payable - Trade	(55)	253
Compensation and Benefits	61	(30)
Other Current Liabilities	(37)	(100)
Other Assets and Liabilities	(11)	36
<b>Total Cash Flows from Operating Activities</b>	<b>(291)</b>	<b>(84)</b>
<b>Cash Flows from Investing Activities:</b>		
Capital Expenditures	(401)	(442)
Asset Dispositions	2	2
Short Term Securities Acquired	(67)	(30)
Short Term Securities Redeemed	67	38
Notes Receivable	(7)	--
Other Transactions	(13)	(38)
<b>Total Cash Flows from Investing Activities</b>	<b>(419)</b>	<b>(470)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Debt and Overdrafts Incurred	983	1,012
Short Term Debt and Overdrafts Paid	(908)	(920)
Long Term Debt Incurred	3,479	3,544
Long Term Debt Paid	(2,628)	(2,933)
Common Stock Issued	1	3
Common Stock Repurchased	--	(100)
Common Stock Dividends Paid	(74)	(67)
Transactions with Minority Interests in Subsidiaries	(25)	(26)
Debt Related Costs and Other Transactions	(17)	6
<b>Total Cash Flows from Financing Activities</b>	<b>811</b>	<b>519</b>
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	6	(25)
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>107</b>	<b>(60)</b>
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	873	1,110
<b>Cash, Cash Equivalents and Restricted Cash at End of the Period</b>	<b>\$ 980</b>	<b>\$ 1,050</b>

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## Non-GAAP Financial Measures (unaudited)

This earnings release presents Total Segment Operating Income and Margin, 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' (SBU's) 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 measure to Total Segment Operating Income is Goodyear Net Income and to Total Segment Operating Margin is Return on Sales (which is calculated by dividing Goodyear Net Income by Net Sales).

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.

The company is unable to present a quantitative reconciliation of its forward-looking non-GAAP financial measure, Total Segment Operating Income, to the most directly comparable U.S. GAAP financial measure, Goodyear Net Income, because management cannot reliably predict all of the necessary components of Goodyear Net Income without unreasonable effort. Goodyear Net Income includes several significant items that are not included in Total Segment Operating Income, 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 the company's business, acquisitions and dispositions, foreign currency exchange gains and losses, financing fees, actions taken to manage the company's 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, the company is unable to address the probable significance of the unavailable information, which could be material to the company's future financial results.

See the tables below for reconciliations of historical Total Segment Operating Income and Margin, Adjusted Net Income and Adjusted Diluted EPS to the most directly comparable U.S. GAAP financial measures.

## Segment Operating Income and Margin Reconciliation Table

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<i>(In millions)</i>				
<b>Total Segment Operating Income</b>	<b>\$219</b>	<b>\$324</b>	<b>\$409</b>	<b>\$605</b>
Rationalizations	4	(2)	107	35
Interest Expense	88	78	173	154
Other (Income) Expense	17	45	39	82
Asset Write-offs and Accelerated Depreciation	1	1	1	2
Corporate Incentive Compensation Plans	14	3	15	7
Intercompany Profit Elimination	(2)	(1)	(6)	(4)
Retained Expenses of Divested Operations	3	2	6	5
Other	12	15	30	28
<b>Income before Income Taxes</b>	<b>\$82</b>	<b>\$183</b>	<b>\$44</b>	<b>\$296</b>
United States and Foreign Taxes	26	19	32	52
Less: Minority Shareholders' Net Income	2	7	19	12
<b>Goodyear Net Income (Loss)</b>	<b>\$54</b>	<b>\$157</b>	<b>\$(7)</b>	<b>\$232</b>
Sales	\$3,632	\$3,841	\$7,230	\$7,671
Return on Sales	1.5%	4.1%	(0.1)%	3.0%
Total Segment Operating Margin	6.0%	8.4%	5.7%	7.9%

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**Adjusted Net Income and Adjusted Diluted Earnings per Share Reconciliation Tables****Second Quarter 2019**

	<b>Income Before Income Taxes</b>	<b>Taxes</b>	<b>Minority Interest</b>	<b>Goodyear Net Income</b>	<b>Weighted Average Shares Outstanding- Diluted</b>	<b>Diluted EPS</b>
<i>(In millions, except EPS)</i>						
<b>As Reported</b>	<b>\$ 82</b>	<b>\$ 26</b>	<b>\$ 2</b>	<b>\$ 54</b>	<b>234</b>	<b>\$ 0.23</b>
Significant Items:						
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	5	1		4		0.02
	5	1		4		0.02
<b>As Adjusted</b>	<b>\$ 87</b>	<b>\$ 27</b>	<b>\$ 2</b>	<b>\$ 58</b>	<b>234</b>	<b>\$ 0.25</b>

**Second Quarter 2018**

	<b>Income Before Income Taxes</b>	<b>Taxes</b>	<b>Minority Interest</b>	<b>Goodyear Net Income</b>	<b>Weighted Average Shares Outstanding- Diluted</b>	<b>Diluted EPS</b>
<i>(In millions, except EPS)</i>						
<b>As Reported</b>	<b>\$ 183</b>	<b>\$ 19</b>	<b>\$ 7</b>	<b>\$ 157</b>	<b>241</b>	<b>\$ 0.65</b>
Significant Items:						
TireHub Transaction Costs	10	2		8		0.03
Hurricane Effect	8			8		0.03
Brazil Transportation Strike	7	2		5		0.02
Pension Settlement	3	1		2		0.01
Asset Sales	(2)	(1)		(1)		(0.01)
Insurance Recovery – Discontinued Products	(2)	(1)		(1)		(0.01)
Discrete Tax Items		28		(28)		(0.10)
	24	31		(7)		(0.03)
<b>As Adjusted</b>	<b>\$ 207</b>	<b>\$ 50</b>	<b>\$ 7</b>	<b>\$ 150</b>	<b>241</b>	<b>\$ 0.62</b>

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<b>First Six Months 2019</b>	<b>Income Before Income Taxes</b>	<b>Taxes</b>	<b>Minority Interest</b>	<b>Goodyear Net Income (Loss)</b>	<b>Weighted Average Shares Outstanding-Diluted*</b>	<b>Diluted EPS</b>
<i>(In millions, except EPS)</i>						
<b>As Reported</b>	<b>\$ 44</b>	<b>\$ 32</b>	<b>\$ 19</b>	<b>\$ (7)</b>	<b>232</b>	<b>\$ (0.03)</b>
Significant Items:						
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	108	17		91		0.38
Indirect Tax Settlements and Discrete Tax Items	(6)	(13)	(16)	23		0.10
Legal Claims Related to Discontinued Operations	5	1		4		0.02
Insurance Recovery from Hurricanes	(3)			(3)		(0.01)
Asset Sales	(6)	(1)		(5)		(0.02)
	98	4	(16)	110		0.47
<b>As Adjusted</b>	<b>\$ 142</b>	<b>\$ 36</b>	<b>\$ 3</b>	<b>\$ 103</b>	<b>234</b>	<b>\$ 0.44</b>

\*Weighted Average Shares Outstanding-Diluted for the calculation of as-reported diluted EPS excludes 2 million weighted average shares outstanding for stock options and other securities that were anti-dilutive due to Goodyear's net loss.

<b>First Six Months 2018</b>	<b>Income Before Income Taxes</b>	<b>Taxes</b>	<b>Minority Interest</b>	<b>Goodyear Net Income</b>	<b>Weighted Average Shares Outstanding-Diluted</b>	<b>Diluted EPS</b>
<i>(In millions, except EPS)</i>						
<b>As Reported</b>	<b>\$ 296</b>	<b>\$ 52</b>	<b>\$ 12</b>	<b>\$ 232</b>	<b>242</b>	<b>\$ 0.96</b>
Significant Items:						
Rationalizations, Asset Write-Offs, and Accelerated Depreciation Charges	37	10		27		0.11
Hurricane Effect	11			11		0.05
TireHub Transaction Costs	14	3		11		0.04
Pension Standard Change	9	2		7		0.03
Brazil Transportation Strike	7	2		5		0.02
Pension Settlement	3	1		2		0.01
Insurance Recovery – Discontinued Products	(2)	(1)		(1)		(0.01)
Discrete Tax Items		22		(22)		(0.09)
	79	39		40		0.16
<b>As Adjusted</b>	<b>\$ 375</b>	<b>\$ 91</b>	<b>\$ 12</b>	<b>\$ 272</b>	<b>242</b>	<b>\$ 1.12</b>