

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

	<b>Three Months Ended September 30,</b>		<b>Nine Months Ended September 30,</b>	
	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>
<i>(In millions, except per share amounts)</i>				
<b>NET SALES</b>	<b>\$3,921</b>	<b>\$3,847</b>	<b>\$11,306</b>	<b>\$ 11,417</b>
Cost of Goods Sold	3,069	2,736	8,626	8,250
Selling, Administrative and General Expense	556	599	1,718	1,807
Rationalizations	46	135	102	194
Interest Expense	84	90	260	285
Other (Income) Expense	4	(23)	9	3
Income before Income Taxes	162	310	591	878
United States and Foreign Taxes	30	(10)	136	161
Net Income	132	320	455	717
Less: Minority Shareholders' Net Income	3	3	13	14
<b>Goodyear Net Income</b>	<b><u>\$ 129</u></b>	<b><u>\$ 317</u></b>	<b><u>\$ 442</u></b>	<b><u>\$ 703</u></b>
<b>Goodyear Net Income - Per Share of Common Stock</b>				
Basic	<b><u>\$ 0.52</u></b>	<b><u>\$ 1.21</u></b>	<b><u>\$ 1.76</u></b>	<b><u>\$ 2.66</u></b>
Weighted Average Shares Outstanding	250	262	251	264
Diluted	<b><u>\$ 0.50</u></b>	<b><u>\$ 1.19</u></b>	<b><u>\$ 1.73</u></b>	<b><u>\$ 2.62</u></b>
Weighted Average Shares Outstanding	254	266	255	268
Cash Dividends Declared Per Common Share	<b><u>\$ 0.10</u></b>	<b><u>\$ 0.17</u></b>	<b><u>\$ 0.30</u></b>	<b><u>\$ 0.31</u></b>

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## The Goodyear Tire & Rubber Company and Subsidiaries

### Consolidated Balance Sheets (unaudited)

(In millions, except share data)

	September 30, <u>2017</u>	December 31, <u>2016</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ 822	\$ 1,132
Accounts Receivable, less Allowance - \$119 (\$101 in 2016)	2,672	1,769
Inventories:		
Raw Materials	463	436
Work in Process	145	131
Finished Products	<u>2,383</u>	<u>2,060</u>
	2,991	2,627
Prepaid Expenses and Other Current Assets	<u>242</u>	<u>190</u>
<b>Total Current Assets</b>	<b>6,727</b>	<b>5,718</b>
Goodwill	587	535
Intangible Assets	137	136
Deferred Income Taxes	2,356	2,414
Other Assets	714	668
Property, Plant and Equipment		
less Accumulated Depreciation - \$9,945 (\$9,125 in 2016)	<u>7,331</u>	<u>7,040</u>
<b>Total Assets</b>	<b><u>\$ 17,852</u></b>	<b><u>\$ 16,511</u></b>
<b>Liabilities:</b>		
<b>Current Liabilities:</b>		
Accounts Payable-Trade	\$ 2,624	\$ 2,589
Compensation and Benefits	582	584
Other Current Liabilities	1,062	963
Notes Payable and Overdrafts	276	245
Long Term Debt and Capital Leases due Within One Year	<u>378</u>	<u>436</u>
<b>Total Current Liabilities</b>	<b>4,922</b>	<b>4,817</b>
Long Term Debt and Capital Leases	5,737	4,798
Compensation and Benefits	1,459	1,460
Deferred Income Taxes	91	85
Other Long Term Liabilities	<u>522</u>	<u>626</u>
<b>Total Liabilities</b>	<b>12,731</b>	<b>11,786</b>
<b>Shareholders' Equity:</b>		
Common Stock, no par value:		
Authorized, 450 million shares, Outstanding shares – 246 million in 2017 and 252 in 2016 after deducting 32 million treasury shares in 2017 and 26 million in 2016	246	252
Capital Surplus	2,476	2,645
Retained Earnings	6,175	5,808
Accumulated Other Comprehensive Loss	<u>(4,015)</u>	<u>(4,198)</u>
<b>Goodyear Shareholders' Equity</b>	<b>4,882</b>	<b>4,507</b>
Minority Shareholders' Equity – Nonredeemable	<u>239</u>	<u>218</u>
<b>Total Shareholders' Equity</b>	<b>5,121</b>	<b>4,725</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 17,852</u></b>	<b><u>\$ 16,511</u></b>

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# The Goodyear Tire & Rubber Company and Subsidiaries

## Consolidated Statements of Cash Flows (unaudited)

(In millions)

	Nine Months Ended	
	September 30,	
	2017	2016
<b>Cash Flows from Operating Activities:</b>		
<b>Net Income</b>	<b>\$ 455</b>	<b>\$ 717</b>
Adjustments to Reconcile Net Income to Cash Flows from Operating Activities:		
Depreciation and Amortization	586	536
Amortization and Write-Off of Debt Issuance Costs	17	24
Provision for Deferred Income Taxes	33	31
Net Pension Curtailments and Settlements	13	13
Net Rationalization Charges	102	194
Rationalization Payments	(96)	(68)
Net (Gains) Losses on Asset Sales	(14)	(28)
Pension Contributions and Direct Payments	(67)	(71)
Changes in Operating Assets and Liabilities, Net of Asset Acquisitions and Dispositions:		
Accounts Receivable	(807)	(570)
Inventories	(254)	(236)
Accounts Payable - Trade	5	(144)
Compensation and Benefits	(27)	(68)
Other Current Liabilities	(51)	11
Other Assets and Liabilities	(49)	(51)
<b>Total Cash Flows from Operating Activities</b>	<b>(154)</b>	<b>290</b>
<b>Cash Flows from Investing Activities:</b>		
Capital Expenditures	(683)	(711)
Asset Dispositions	9	13
Short Term Securities Acquired	(51)	(46)
Short Term Securities Redeemed	51	34
Other Transactions	(1)	2
<b>Total Cash Flows from Investing Activities</b>	<b>(675)</b>	<b>(708)</b>
<b>Cash Flows from Financing Activities:</b>		
Short Term Debt and Overdrafts Incurred	544	219
Short Term Debt and Overdrafts Paid	(523)	(99)
Long Term Debt Incurred	4,972	4,129
Long Term Debt Paid	(4,193)	(4,025)
Common Stock Issued	12	9
Common Stock Repurchased	(205)	(200)
Common Stock Dividends Paid	(75)	(56)
Transactions with Minority Interests in Subsidiaries	(6)	(9)
Debt Related Costs and Other Transactions	(69)	(77)
<b>Total Cash Flows from Financing Activities</b>	<b>457</b>	<b>(109)</b>
Effect of Exchange Rate Changes on Cash, Cash Equivalents and Restricted Cash	51	25
<b>Net Change in Cash, Cash Equivalents and Restricted Cash</b>	<b>(321)</b>	<b>(502)</b>
Cash, Cash Equivalents and Restricted Cash at Beginning of the Period	1,189	1,502
Cash, Cash Equivalents and Restricted Cash at End of the Period	<b>\$ 868</b>	<b>\$ 1,000</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' (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 measure to Total Segment Operating Income is Goodyear Net Income and to Total Segment Operating Margin is Goodyear Net Income as a percent of 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 September 30,		Nine Months Ended September 30,	
	2017	2016	2017	2016
<i>(In millions)</i>				
<b>Total Segment Operating Income</b>	<b>\$357</b>	<b>\$556</b>	<b>\$1,103</b>	<b>\$1,506</b>
Rationalizations	46	135	102	194
Interest Expense	84	90	260	285
Other (Income) Expense	4	(23)	9	3
Asset Write-offs and Accelerated Depreciation	10	3	39	10
Corporate Incentive Compensation Plans	--	20	27	60
Pension Curtailments/Settlements	13	--	13	14
Intercompany Profit Elimination	21	2	16	7
Retained Expenses of Divested Operations	3	2	9	12
Other	14	17	37	43
<b>Income before Income Taxes</b>	<b>\$162</b>	<b>\$310</b>	<b>\$591</b>	<b>\$878</b>
United States and Foreign Taxes	30	(10)	136	161
Less: Minority Shareholders Net Income	3	3	13	14
<b>Goodyear Net Income</b>	<b>\$129</b>	<b>\$317</b>	<b>\$442</b>	<b>\$703</b>
Sales	\$3,921	\$3,847	\$11,306	\$11,417
Return on Sales	3.3%	8.2%	3.9%	6.2%
Total Segment Operating Margin	9.1%	14.5%	9.8%	13.2%

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**Adjusted Net Income and Adjusted Diluted Earnings per Share Reconciliation Table****Third Quarter 2017**

	<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>\$ 162</b>	<b>\$ 30</b>	<b>\$ 3</b>	<b>\$129</b>	<b>254</b>	<b>\$ 0.50</b>
Significant Items:						
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	56	18		38		0.15
Hurricane Impact	17	2		15		0.06
Pension Settlement	13	5		8		0.03
Discrete Tax Items	2	12		(10)		(0.03)
Insurance Recovery	(5)	(2)		(3)		(0.01)
	83	35		48		\$ 0.20
<b>As Adjusted</b>	<b>\$245</b>	<b>\$65</b>	<b>\$ 3</b>	<b>\$177</b>	<b>254</b>	<b>\$ 0.70</b>

**Third Quarter 2016**

	<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>\$ 310</b>	<b>\$ (10)</b>	<b>\$ 3</b>	<b>\$317</b>	<b>266</b>	<b>\$ 1.19</b>
Significant Items:						
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	138	3		135		0.51
Transaction Costs and Net Gains on Asset Sales	(27)	(3)		(24)		(0.09)
Discrete Tax Items	2	118	2	(118)		(0.44)
	113	118	2	(7)		\$ (0.02)
<b>As Adjusted</b>	<b>\$423</b>	<b>\$108</b>	<b>\$ 5</b>	<b>\$ 310</b>	<b>266</b>	<b>\$ 1.17</b>

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**First Nine Months 2017***(In millions, except EPS)*

	<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>
<b>As Reported</b>	<b>\$ 591</b>	<b>\$ 136</b>	<b>\$ 13</b>	<b>\$442</b>	<b>255</b>	<b>\$ 1.73</b>
Significant Items:						
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	141	42	1	98		\$ 0.39
Debt Redemption Charges	31	12		19		\$ 0.07
Hurricane Impact	17	2		15		\$ 0.06
Pension Settlement	13	5		8		\$ 0.03
Discrete Tax Items	(2)	22		(24)		\$ (0.09)
Net Gains on Asset Sales	(14)	(2)		(12)		\$ (0.05)
Insurance Recovery	(5)	(2)		(3)		\$ (0.01)
	181	79	1	101		\$ 0.40
<b>As Adjusted</b>	<b>\$772</b>	<b>\$215</b>	<b>\$ 14</b>	<b>\$ 543</b>	<b>255</b>	<b>\$ 2.13</b>

**First Nine Months 2016***(In millions, except EPS)*

	<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>
<b>As Reported</b>	<b>\$ 878</b>	<b>\$ 161</b>	<b>\$ 14</b>	<b>\$703</b>	<b>268</b>	<b>\$ 2.62</b>
Significant Items:						
Rationalizations, Asset Write-offs, and Accelerated Depreciation Charges	204	9		195		\$ 0.73
Debt Repayments	65	19		46		\$ 0.17
Americas Intracompany Profit Elimination Adjustment	24	9		15		\$ 0.06
Pension Settlement	14			14		\$ 0.05
Insurance Recovery – Discontinued Products	(7)	(2)		(5)		\$ (0.02)
Transaction Costs and Net Gains on Asset Sales	(28)	(4)		(24)		\$ (0.09)
Discrete Tax Items	2	127	1	(126)		\$ (0.47)
	274	158	1	115		\$ 0.43
<b>As Adjusted</b>	<b>\$1,152</b>	<b>\$319</b>	<b>\$ 15</b>	<b>\$ 818</b>	<b>268</b>	<b>\$ 3.05</b>