

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	(Unaudited)			
<i>(In millions, except per share amounts)</i>				
NET SALES	\$5,072	\$4,437	\$ 18,832	\$ 16,301
Cost of Goods Sold	4,190	3,581	15,452	13,676
Selling, Administrative and General Expense	715	640	2,630	2,404
Rationalizations	224	20	240	227
Interest Expense	75	83	316	311
Other Expense	<u>13</u>	<u>(26)</u>	<u>186</u>	<u>40</u>
(Loss) Income before Income Taxes	(145)	139	8	(357)
United States and Foreign Taxes	<u>21</u>	<u>4</u>	<u>172</u>	<u>7</u>
Net (Loss) Income	(166)	135	(164)	(364)
Less: Minority Shareholders Net Income	<u>11</u>	<u>28</u>	<u>52</u>	<u>11</u>
Goodyear Net (Loss) Income	<u>\$ (177)</u>	<u>\$ 107</u>	<u>\$ (216)</u>	<u>\$ (375)</u>
Goodyear Net (Loss) Income - Per Share				
Basic	<u>\$ (0.73)</u>	<u>\$ 0.44</u>	<u>\$ (0.89)</u>	<u>\$ (1.55)</u>
Weighted Average Shares Outstanding	242	242	242	241
Diluted	<u>\$ (0.73)</u>	<u>\$ 0.44</u>	<u>\$ (0.89)</u>	<u>\$ (1.55)</u>
Weighted Average Shares Outstanding	242	245	242	241

(more)

The Goodyear Tire & Rubber Company and Subsidiaries

Consolidated Balance Sheets

(In millions)

	December 31, 2010	December 31, 2009
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 2,005	\$ 1,922
Accounts Receivable, less Allowance - \$106 (\$110 in 2009)	2,736	2,540
Inventories:		
Raw Materials	706	483
Work in Process	168	138
Finished Products	<u>2,103</u>	<u>1,822</u>
	2,977	2,443
Prepaid Expenses and Other Current Assets	<u>327</u>	<u>320</u>
Total Current Assets	8,045	7,225
Goodwill	683	706
Intangible Assets	161	164
Deferred Income Taxes	58	43
Other Assets	518	429
Property, Plant and Equipment		
less Accumulated Depreciation - \$8,807 (\$8,626 in 2009)	<u>6,165</u>	<u>5,843</u>
Total Assets	<u>\$ 15,630</u>	<u>\$ 14,410</u>
Liabilities:		
Current Liabilities:		
Accounts Payable-Trade	\$ 3,107	\$ 2,278
Compensation and Benefits	756	635
Other Current Liabilities	1,018	844
Notes Payable and Overdrafts	238	224
Long Term Debt and Capital Leases due Within One Year	<u>188</u>	<u>114</u>
Total Current Liabilities	5,307	4,095
Long Term Debt and Capital Leases	4,319	4,182
Compensation and Benefits	3,415	3,526
Deferred and Other Noncurrent Income Taxes	242	235
Other Long Term Liabilities	<u>842</u>	<u>793</u>
Total Liabilities	14,125	12,831
Commitments and Contingent Liabilities		
Minority Shareholders' Equity	584	593
Shareholders' Equity:		
Goodyear Shareholders' Equity:		
Preferred Stock, no par value:		
Authorized, 50 shares, unissued	--	--
Common Stock, no par value:		
Authorized, 450 shares, Outstanding shares – 243 (242 in 2009)		
after deducting 8 treasury shares (9 in 2009)	243	242
Capital Surplus	2,805	2,783
Retained Earnings	866	1,082
Accumulated Other Comprehensive Loss	<u>(3,270)</u>	<u>(3,372)</u>
Goodyear Shareholders' Equity	644	735
Minority Shareholders' Equity - Nonredeemable	<u>277</u>	<u>251</u>
Total Shareholders' Equity	921	986
Total Liabilities and Shareholders' Equity	<u>\$ 15,630</u>	<u>\$ 14,410</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 December 31, (unaudited)		Twelve Months Ended December 31,	
	2010	2009	2010	2009
<i>(In millions)</i>				
Segment Operating Income	\$224	\$249	\$917	\$372
Rationalizations	(224)	(20)	(240)	(227)
Interest expense	(75)	(83)	(316)	(311)
Other (expense) income	(13)	26	(186)	(40)
Asset write-offs and accelerated depreciation	(2)	(3)	(15)	(43)
Corporate incentive compensation plans	(26)	(12)	(71)	(41)
Intercompany profit elimination	(9)	--	(14)	(13)
Other	(20)	(18)	(67)	(54)
(Loss) Income before Income Taxes	<u>\$(145)</u>	<u>\$139</u>	<u>\$ 8</u>	<u>\$(357)</u>

Fourth Quarter Significant Items (after tax and minority interest)

2010

- Rationalizations, asset write-offs and accelerated depreciation, \$213 million (87 cents per share).
- Loss related to the elimination of the subsidized essential goods exchange rate in Venezuela, \$20 million (8 cents per share).
- Charge related to a claim regarding the use of value-added tax credits in prior periods, \$18 million (7 cents per share).
- Net gains on asset sales, primarily in Asia, \$31 million (13 cents per share).
- Net tax benefits primarily due to tax law changes in the U.S. and other countries, \$22 million (9 cents per share).

2009

- Rationalizations, asset write-offs and accelerated depreciation, \$20 million (8 cents per share).
- Expenses related to a legal reserve for a closed facility, \$4 million (2 cents per share).
- Net tax benefits related to employee benefit plans, \$64 million (26 cents per share).
- Net tax benefits primarily related to the release of a valuation allowance in Australia, \$21 million (8 cents per share).
- Gain on insurance proceeds from the settlement of a claim related to a 2007 fire in Thailand, \$13 million (5 cents per share).
- Net gain on asset sales, \$2 million (1 cent per share).